Reflections on Good Governance in Visegrad and beyond

Edited and reviewed by
Polonca Kovač

NISPAcee

UMCS

Visegrad Fund
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NISPAcee is an international association focused on public administration. Its mission is to promote and strengthen the effective and democratic governance and modernisation of public administration and policy throughout the NISPAcee region.
Table of Contents

List of Authors ..................................................................................................................5
List of Abstracts ................................................................................................................9

INTRODUCTION
On the Path to Good Governance in CEE by Supporting V4 Young Academicians
Polonca Kovač ........................................................................................................... 17

PART I
General on Good Governance – Trends in CEE: Between Democracy and Efficiency

Analysing the New Patterns of Hungarian Government from a Coordination Perspective
Eva Kovacs .................................................................................................................. 25

Public-Private Partnerships in CEE: Enhancing Governance or Deepening Mismanagement
Petr Witz ...................................................................................................................... 41

The Future of the Weberian Bureaucratic Model in the Light of New Public Management in CEE
Matúš Čupka ................................................................................................................51

Presidentialisation of Politics and Good Governance in Hungary
Fanni Mandák ............................................................................................................... 57

Governance and Social Housing in Slovakia: Can Good Governance Be Bad Practice?
Igor Kiss ....................................................................................................................... 63

PART II
Local Governance in V4

What is more Important: Democracy or Efficiency?
Case Study of Municipalities in the Czech Republic
Lenka Matějová ........................................................................................................... 75

Fragmented Settlement Structure as a Barrier in Providing Good Local Governance Services:
The Case of Slovakia
Richard Brix ................................................................................................................83
Participatory Policies of Local Authorities: 
The Example of the Municipality of Lublin City (Poland)

Monika Cieciора ................................................................. 91

Local Political Leadership in Poland:
Good Practices

Agnieszka Grzegorczyk ........................................................... 97

PART III
Public Administration Education in V4 and beyond

How could we Improve the Education of Public Administration?

Eszter Monda .............................................................................. 105

Do the Educational Programmes in Public Administration at Czech Universities Reflect the Requirements of the Shift from NPM Principles to a Good Governance Model in Public Administration?

Michal Plaček .............................................................................. 115
List of Authors

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Reflections on Good Governance in Visegrad and beyond

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List of Abstracts

On the Path to Good Governance in CEE by Supporting V4 Young Academicians

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Good governance is today’s prevailing discourse on public administration (PA). It is offering, in particular in Central and Eastern Europe, new perspectives, as in PA as a scientific discipline and also in PA as practised at the national and local levels. In order to enhance the exchange of good practices and research cooperation with regard to key principles of good governance (networking, participation, transparency, efficiency) NISPAcee, as the biggest regional organisation, initiated in 2014 a V4 Young project. Its aim is to bring together young academicians from Visegrád and broader to discuss emerging problems and solutions in contemporary PA, and also to produce short papers on the reflections thereof as in this monograph.

Keywords: good governance, public administration, CEE, V4

Analysing the New Patterns of Hungarian Government from a Coordination Perspective

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In the last few years coordination has become one of the principal themes in the “modernisation” of government. States have developed new approaches intended to decrease fragmentation within the public sector and increase collaboration between public organisations. This trend has not missed Hungary either. From 2010 – the inauguration of the second Orbán Cabinet – a strong quest to enhance the political control and coordination over administrative apparatuses emerged. The main intention of this chapter is to present a short overview of the emerging patterns
of government coordination in Hungary with special focus on the central level. The key finding of the study is that central government coordination has been an escalating objective of administrative reform intentions and actions in Hungary. However, efforts at improving coordination were limited to an extremely narrow set of measures, restricted practically to the strengthening of bureaucratic-hierarchical, control over the public sector.

**Keywords:** coordination, public administration, reform, Hungary

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**Public-Private Partnership in CEE: Enhancing Governance or Deepening Mismanagement**

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New concepts such as the Neo-Weberian State (NWS) or New Public Governance are thought to have taken over as dominant paradigms in the field of public administration. Nevertheless, it seems that the various attributes of New Public Management (NPM) still resonate very strongly within the practice of public administration in most CEE countries. Public-Private Partnership (PPP) is one of the aspects originally believed to be incompatible with the NWS framework. Yet, this kind of arrangement has become relatively popular in CEE countries in recent years. The question is whether PPPs, in the context of Central Europe, have been a tool of good governance or rather an additional source of trouble for the public sector. In this contribution, a brief overview of CEE countries’ experience with the PPP implementation process is provided, together with a discussion on the future of the NPM-inspired reforms in the region.

**Keywords:** Public-Private Partnership, New Public Management, Neo-Weberian State, good governance

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**The Future of the Weberian Bureaucratic Model in the Light of New Public Management in CEE**

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The classical bureaucratic model designed by Weber has reached its limits in CEE countries. Both the socio-economic and political environment had meant that Weber’s focus on efficiency, responsibility or accountability was replaced by depersonalisation, rigidity and goal displacement. This led to an overall distrust
in the bureaucracies, both at national and local levels. This chapter will thus focus on the possible improvements that could help the current bureaucracies in CEE countries to regain trust through improved performance, interaction with the public and efficiency, based on New Public Management and the Market Model. Such a reform of public bureaucracies could significantly improve the services provided by the State, not only to the wider public, but also to the business sector and thus help CEE countries in their push towards reaching Western living standards.

**Keywords:** bureaucracy, public sector reform, Weber, New Public Management, CEE

Presidentialisation of Politics and Good Governance in Hungary

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In the last two decades the political and institutional assets of Hungary have undergone several changes and the Hungarian parliamentary democracy has become more presidentialised in its political attitude, without changing its formal institutional structure. The process of presidentialisation causes a shift from collective political power and responsibility to individual power and responsibility. The chapter studies what kind of effects this change has had on good governance. The main questions are the following: (1) Does the presidentialisation of Hungarian politics reduce or increase the level of good governance's criteria? (2) Does it reduce the transparency and accountability of the executive's decision-making processes? (3) Does the centralisation of decision-making increase efficiency?

**Keywords:** presidentialisation, good governance, Hungary

Governance and Social Housing in Slovakia: Can Good Governance Be Bad Practice?

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The main scope of this chapter is to give a brief summary of the present housing and social housing policy in Slovakia. The housing policy is described with regard to its priorities, possible financing and achievement of a set of results. It is being argued that even if the state tried to establish a sustainable housing policy through good governance, in practice this did not happen. The main arguments are supported by statistical evidence.
Keywords: housing policy, social housing policy, Slovakia, good governance

What is More Important – Democracy or Efficiency? Cast Study of Municipalities in the Czech Republic

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The term “good governance” is discussed at international, national and sub-national levels of the different public administration systems. In practice, debate often focuses on strengthening the elements of democracy and the possibilities of greater citizens’ participation on decision-making in local governance and also on the performance of local governments in the provision of local public services. This chapter hopes to contribute to this debate. The aim is to discuss the particular aspects of good governance, such as the principles of democracy and efficiency and their role in policy making at the level of small municipalities in the Czech Republic. The question of what is more important, democracy or effectiveness, has no firm answer, but as results show, politicians do not have to decide about what is more important in the Czech Republic.

Keywords: good governance, local democracy, efficiency, scale economics, Czech Republic

Fragmented Settlement Structure as a Barrier in Providing Good Local Governance Services: The Case of Slovakia

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Slovakia belongs to some of the most fragmented countries with regard to its number of small municipalities. Apart from all the others barriers to providing good governance, this situation is unsustainable under current conditions. Either the merging of municipalities, or strengthening in the field of inter-municipal cooperation, is greatly needed. There were some attempts to improve today’s situation, but however, the political will was missing. There are some potential ways to improve the quality of good governance at the local level, since the smallest municipalities are no longer viable.

Keywords: inter-municipal cooperation, merging, fragmentation, settlement structure
Participatory Policies of Local Authorities – The Example of the Municipality of Lublin City (Poland)

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The chapter begins with the idea of good governance as a new model of management and organisation in public administration and moreover, it is one of the significant aspects of the application in local government. The analysis is dedicated to the Municipality of Lublin City and its method of participatory policy making. The analysis consists of three elements: cooperation between the Lublin self-authorities and local non-governmental organisations, social consultation and the development of a civic budget. The research leads up to the conclusion: does Lublin realise its idea of good governance by participatory politics?

Key words: Municipality of Lublin City, participatory budget, NGOs, public consultation

Local Political Leadership in Poland – Good Practices

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In this chapter, the author would like to include information regarding the quality implementation of the political leadership at the local level in Poland. The analysis will give examples of three mayors who exercise authority in accordance with modern management methods. The typology of leadership that is carried out will be based on the characteristics taken from the theory of Max Weber. The analysis was carried out using an example of three cities: Gdynia, Wroclaw and Lublin and will demonstrate best practices in the field of urban management at the local level.

Keywords: local leadership in Poland, new public administration, good management, social media

How Could we Improve the Education of Public Administration?

Eszter Monda

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In the modernisation of public administration there are many challenges in Hungary. I highlight two important key issues. The first is the more frequent use of participatory methods by information and communication technology (ICT). The second is to change the elements of earlier patterns of thinking. To solve these issues, education could be a solution which can ensure and strengthen a creative, innovative, proactive and open-minded attitude of future generations and will renew the mind-set of the present generation. In my work I concentrate on the education of the Hungarian government using eLearning methodology in the 2.2.19 AROP project. The title of this project is “Development of electronic training and distant learning”. I think it is important to know which skills and abilities good civil servants and leaders should have and how these skills and abilities can support the notion of good governance in Visegrad countries. I present some results of the project and the relevant tasks and dilemmas of public administration.

**Keywords:** education of civil servants, modernisation of education in public administration

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**Do the Educational Programmes in Public Administration at Czech Universities Reflect the Requirements of Shift from NPM Principles to a Good Governance Model in Public Administration?**

Michal Plaček

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The chapter relates to previous empiric studies dealing with the structure and content of university fields of study designed for the education of future workers in the public sector. Based on an analysis of university study programmes and disciplines in the field of public administration accredited in the Czech Republic in 2014, from the point of view of focus of programme providers and their content, it attempts to answer the question of whether changes in the concept of university educational programmes reflect the changes in the paradigm of public administration, i.e. transition from a New Public Management doctrine to Neo-Weberian bureaucracy and Good Governance. Based on the research, it is possible to state that between 2003 and 2014 there was no change in the business understanding of education in Czech university programmes; the dominant providers of this education are still the faculties of economy. The field of public administration is still perceived as a multidisciplinary field and the content of courses is determined by the offering side. An explanation of these causes can be found in the conclusions of neo-institutional sociology and school of public choice.

**Keywords:** good governance, public administration, higher education
Introduction
On the Path to Good Governance in CEE by Supporting V4 Young Academicians

Polonca Kovač

Abstract

Good governance is today’s prevailing discourse on public administration (PA). It is offering, in particular in Central and Eastern Europe, new perspectives, as in PA as a scientific discipline and also in PA as practised at the national and local levels. In order to enhance the exchange of good practices and research cooperation with regard to key principles of good governance (networking, participation, transparency, efficiency) NISPAcee, as the biggest regional organisation, initiated in 2014 a project “Government vs. Governance in the Teaching of Young Academicians in V4”. Its aim is to bring together young academicians from Visegrad and broader to discuss emerging problems and solutions in contemporary PA, and also to produce short papers on the reflections thereof as in this monograph.

Keywords: good governance, public administration, CEE, V4

Introduction

Public administration (PA) is a system whose role and significance is redefined through a complex and rather rapidly changing contemporary society. Recently, following Neo-Weberianism, the notion of good governance (and within it, good administration, cf. Venice Commission 2011) is recognised as a key doctrine. Contemporary governance is (to be) conducted through networking and open structures rather than authoritatively and from top to bottom (Schuppert in Bevir 2011). Despite country-specific differences (cf. Bouckaert and Pollitt 2004, Vintar et al. 2013, etc.), one can identify a number of convergence processes, including differentiation and pluralisation of administrative systems, privatisation, regulatory reforms, globalisation, and also several controversies (cf. for instance Hajnal

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Ideally, in a system of good governance, the state, with PA, exercises authority and protects public interest but is not the exclusive bearer thereof. In their relations with the “rulers”, the “ruled” play numerous roles; however, there are possible side effects and actual disfunctionalities. The latter is, in particular, evident in Central and Eastern Europe (CEE) since this region is facing additional phenomena in PA development arising from the ongoing transitional post-socialist processes (Vintar et al. 2013).

In general, good public governance – i.e. the conciliation of interests and regulation of relations between different people, organisations and other stakeholders in a society with the aim to pursue (most) broadly recognised values and general interests – is thus becoming increasingly important. The dynamics of the social environment demands responses. In addition, the holders of public tasks must act proactively and systemically direct the interactions between the participants of administrative relationships, so that collisions are reconciled and conflicts are prevented and resolved, thus enabling citizens to live in welfare (Kovač 2014). Given the structure of contemporary society, PA is an especially important factor to tackle the so-called wicked societal issues. The latter needs to be addressed by an interdisciplinary approach (Raadschelders 2011, Bevir 2011). Moreover, a scientific approach, based on universally recognised theories and methods, is inevitable since it is a generator of the new knowledge necessary for a true contribution to social progress (Nemec et al. 2012). According to Wright (2011), research in PA is today still isolated from the law, management and political science that formed its foundation. Particular emphasis should be placed on the integrative study of PA and its transfer to practice as an interdisciplinary “science of the future” (Magiera et al. 2008, cf. Nemec et al. 2012).

In order to scientifically support PA development in the CEE area and exchange best practices, NISPAcee, as a network, has brought together West and East, theory and practice, past and future, for over 20 years. Specifically; NISPAcee, in cooperation with the National University of Public Service and Corvinus University of Budapest, organised, in May 2014, its 22nd annual conference, dedicated to “Government vs. Governance in Central and Eastern Europe from Pre-Weberianism to Neo-Weberianism?” The main theme of the conference was dedicated to exploring the shift from focusing on government to governance development, by upgrading Weberian principles of PA to New Public Management (NPM), New Weberian State (NWS) and Good Governance theories and their dimensions. Furthermore, to enhance the scientific research and integrative approach, a project “Government vs. Governance in the teaching of young academicians in V4” (V4Young, www.nispa.org/v4young) has been initiated in relation to the conference, supported by the International Visegrad Fund (IVF, www.visegradfund.org). The V4Young’s aim is to involve young academicians from the Visegrad group, namely the Czech Republic, Hungary, Poland and Slovak Republic, into interdisciplinary and cross-national
frontiers PA studies. V4 was founded (in 1991) for the purposes of furthering their European integration, in particular cultural, economic and educational cooperation. The V4 group, if counted as an entity, has approximately 64 million of inhabitants and represents the fifth largest economy in Europe.

**Methodology, results and discussion points**

By bringing together V4Young participants, NISPAcee and IVF also aim to establish long-term network within the V4 region to – in the long run – develop V4 and CEE progress on the field. The key values added therefore include the development of experience, skills and practical knowledge of V4 young academicians based on actual theories and cooperation between young and senior academicians and practitioners, promotion of their interaction, resulting in the inclusion of V4Young academicians in the professional community in the CEE region. The project took place from February to June 2014, mainly in three steps. The first step was to select V4Young participants (three young academicians from each respective country, i.e. researchers and teachers early in their career, fresh graduates and PhD students in public administration and public policy), followed by their active cooperation during the NISPAcee Conference in Budapest, by interacting with senior PA and public policy academicians and experts, gaining new experience, knowledge and contacts for their future careers.

Finally the project reached its short-term peak by the participants’ design of brief scientific contributions related to reflections on the conference’s main themes to be incorporated into this monograph. Besides the contextual dimensions, addressed to Good Governance and Weberian heritage in public administration and policy, participants were instructed to follow an integrated methodological framework by the IMRAD structure as a ground to develop their individual skills on scientific writing and simultaneously integrate their contributions more comprehensively as a harmonised entity. Consequently, in the Introduction, authors present their backgrounds, main professional interests and connections to the NISPAcee 2014 conference on Good Governance. In a selected topic they analyse key field scientific literature and put forward key research questions. In further sub-chapters on the Methodology and (preliminary) Results, they address their chosen theme in more depth, some by descriptive and others in more empirical ways. Finally, all chapters conclude with discussion points, related to the thread of this monograph – reflecting on good governance in V4 and more broadly from single aspects and in general. Participants’ studies are grouped into three parts, since five of them address issues related to the **general notion of good governance**, the following four contain more in-depth insights into **local governance** and finally, there are two chapters dedicated to the **PA education system** in terms of good governance in CEE. Some studies are more descriptive or analyse more the historic development and others focus on research based on empirical grounds. Let us take a closer look at what the
most tangible results of the V4Young project are in this respect, bearing in mind participants’ contributions.

E. Kovacz deals with the analysis of new patterns of Hungarian government as a coordinator of rather fragmented PA and the broader public sector (cf. Hajnal 2014 on “strong state” concept). She focuses on one-stop-shops as an innovative coordination tool. However, she concludes that improvements in coordination have been limited in compliance with an extremely narrow set of measures and their scope over bureaucratic-hierarchical control. P. Witz from the Czech Republic addresses the topic of Public-Private Partnership (PPP) in CEE by putting forward a dilemma as to whether PPP enhances governance or deepens mismanagement, since it seems that CEE countries have applied NPM tools on a declarative level only. But, as the author argues, there is room for the inclusion of PPP as an NPM instrument within good governance measures. As an upgrade, M. Čupka from Slovakia explores further the future of the Weberian Bureaucratic Model in light of NPM in CEE. He claims that the “classic” bureaucratic model has reached its limits in CEE countries, so again there is potential in NPM tools for the improvement of regional bureaucracy. F. Mandák returns to Hungary, analysing the pros and cons of the presidentialisation of politics in this country. She understands this process as a shift from more collective, to individualised power and responsibility, and further deals with these impacts on governance modes in relation to transparency, efficiency and democratic decision-making. The general aspects are covered by I. Kiss, who analyses governance goals and dysfunctions in the social housing domain in Slovakia based on its privatisation. He argues the need for a sustainable “new” (housing) policy. As several authors argue, some reforms in CEE were more or less a copy of Western patterns, as a shortcut to achieve an (idealistic) level of economic and democratic progress, as opposed to the historical experience of these countries over the past 50 years. Consequently (cf. Vintar et al. 2013), some of these reforms were rejected in the implementation phase as not being in compliance with a societal and administrative framework and culture in the respective country so they need to be redefined. Good governance as a doctrine offers them a step forward.

As good governance pursues decentralisation, shared networks, participation and similar concepts, it is significant that governance aspects can and must be researched at the local level as well. L. Matějová writes in this respect about 6,250 municipalities’ in the Czech Republic, in search of balancing principles of subsidiarity and participation within democracy and efficiency as a counterpart. Size matters, she concludes, so after the amalgamation process, there has to be different governance modes in the larger and smaller municipalities to effectively introduce good governance. R. Brix further explores the same phenomenon of fragmented municipalities in Slovakia, endangering good local governance. Since mergers are politically rather unrealistic, he argues the inevitable need for inter-municipal cooperation as at least a temporary and partial solution. Participatory politics of local authorities are analysed by M. Cieciora with the example of the Municipality of
Lublin (Poland). Elements of cooperation with NGOs, social consultation and participatory budget are explored. Polish efforts are also addressed by A. Grzegorczyk with her analysis of good practices on local political leadership. She provides examples of three mayors or municipalities with regard to good governance and looks at their approaches to the Weberian theory. Considerations based on participation and proportionality (next to procedural legitimacy) may enhance the legitimacy of decision-making from a citizen's perspective, in particular at the local level.

This monograph concludes with two interesting analyses and further discussion on PA and public policy education and training. These systems are supposed to support PA development in a given country; hence one would expect interdisciplinary inclusion of different dimensions of PA as an integrative field into PA education. However, as indicated by E. Monda for Hungary and M. Plaček for the Czech Republic, study programmes are rigid and preserving (too) corporate or (too) legal an approach. In future, argue both authors, there is a need for educational programmes to reflect the shift from Weberianism and NPM principles to good governance, in both content and methodology (such as e-modes). We could, and we must, improve the education of PA, even if incremental, not by a revolution, is without doubt, the agreed conclusion. PA proves itself to be a pillar of good public governance only if a combined approach to tackle problems and search for future solutions is in place (cf. Nemec et al. 2012, Raadschelders 2011, Kovač 2014). Hence, at all levels, we need to allow an exchange between researchers, teachers and students, academia and PA practitioners.

**Conclusion**

The PA discipline, whether it is taken as a framework for its development or purely as a subject of research, was first developed in previous centuries by lawyers – especially in continental Europe (cf. Magiera et al. 2008, Vintar et al. 2013) – and also by political scientists in Europe, the UK and the USA. However, in different areas and historical circumstances, different focuses emerged. As also indicated by several contributions in this monograph (see, for instance, Plaček) the discipline evolved, and in studies and research there are different clusters to be defined, from legal and political, to corporate or managerially driven, regardless of the grounds they are based on (from Weberian principles, NPM and NWS to good governance). Nevertheless, as emphasised above and in the individual chapters, PA and public policy have to be addressed interdisciplinarily to be successful in resolving cross-sectional and cross-border problems arising in society. One can conclude in this respect that the common identifier of all studies in this monograph is exploring dilemmas arising from the tension between striving for democracy and the rule of law, on the one hand, and efficient PA conducted with rationalised resources on the other. However, this dilemma of democracy vs. efficiency is rather artificial when developing good governance, despite the CEE area still seeming to be in search of a balance. How-
ever, we can only succeed overcoming the problems mentioned by communication, cooperation and collaboration, as is proved by the V4Young project. So, hopefully, this project and its monograph – despite it being unable to answer all the open issues, is a starting point for the close future networking among participants and others to continue PA research and fight for a better tomorrow.

References


Part I

General on Good Governance – Trends in CEE: Between Democracy and Efficiency
Analysing the New Patterns of Hungarian Government from a Coordination Perspective

Eva Kovacs

Abstract

In the last few years, coordination has become one of the principal themes in the “modernisation” of government. States have developed new approaches intended to decrease fragmentation within the public sector and increase collaboration between public organisations. This trend has not missed Hungary either. From 2010 – the inauguration of the second Orbán Cabinet – a strong quest to enhance the political control and coordination over administrative apparatuses emerged. The main intention of this chapter is to present a short overview of the emerging patterns of government coordination in Hungary with special focus on the central level. The key finding of the study is that central government coordination has been an escalating objective of administrative reform intentions and actions in Hungary. However, efforts at improving coordination were limited to an extremely narrow set of measures, restricted practically to the strengthening of bureaucratic-hierarchical, control over the public sector.

Keywords: coordination, public administration, reform, Hungary

Introduction and conceptual background

My special field of interest is the coordination mechanism within public administration. My research topic is narrowed towards a special country context and time period, namely I focus on the Hungarian governmental coordination during the post-transition period. I also prepared my PhD thesis on this topic. The research leading to most of the results of my dissertation has received funding from the European Community’s Seventh Framework Programme (Project COCOPS).

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This chapter contains a short part of my dissertation and would like to contribute to the international discussion on the topic of public administration reforms and the new model of government and governance in CEE countries. These topics were relevant issues at the 22nd NISPAcee Annual Conference (Budapest, Hungary, 22–24 May 2014).

This study aims at analysing the waves of reform having happened within the Hungarian central government coordination since the transition. This choice of subject can be justified by two elements. First, the central government coordination has been, with the desire to strengthen it throughout Hungary’s post-transition history, a very frequent objective of administrative reform intentions and actions. Notwithstanding this frequency, the recurring waves of central government coordination reform have been a relatively neglected area of systematic longitudinal research. The second reason for analysing this topic is its currency. From 2010, wholesale constitutional and legislative changes were introduced by the FIDESZ government. These initiatives significantly changed the conditions of central government coordination. Taking into consideration the above mentioned facts, the general aim of this study is to give a longitudinal description of the developments of the Hungarian central government coordination in the post-1990 period. The chapter investigates and classifies the instruments of structural changes introduced within the government to enhance coordination. The above ambitions will be pursued in the following structure. First, Section 2 gives a brief overview of the core concepts. Section 3 introduces the research questions and specifies the data and the method used to answer them. In Section 4 the coordination landscapes of post-transition Hungary are described. In Section 5 the main findings are summarised and the coordination instruments of four coordination milestones are presented and summed up.

Coordination in Government: As discussed earlier, my intention is to investigate the most significant coordination structural changes having happened at the central government level in Hungary. As a useful starting point, coordination in government is often seen as an “end-state in which policies and programmes of government are characterised by minimal redundancy, incoherence and lacunae” (Peters 1998, 296). Coordination, however, is also often seen as a process, rather than, or in addition to being, an end-state: “coordination occurs whenever two or more policy actors pursue a common outcome and work together to produce it” (Bevir 2009, 57). In the following, I apply the latter process perspective, but link it to the former, substantive conceptualisation by Peters. Thus, by coordination I refer to processes or activities among several policy actors, which lead to an end state characterised by less redundancy, incoherence or lacunae. By coordination mechanisms I mean any arrangement, consciously designed or having spontaneously emerged, which has a capacity to exert coordination functions in the sense used here. Coordi-

2 The contribution – guidance, comments and suggestions – of György Hajnal (Corvinus University of Budapest and Hungarian Academy of Sciences, Center for Social Research, Institute for Political Science) to this study is hereby acknowledged.
nation efforts (or measures) are a particular and, within this research, emphatic sub-concept within this latter concept, the term denoting conscious courses of actions taken by policy actors in order to improve coordination. By coordination reforms in public administration I mean deliberate changes in the structures, processes or procedures of public sector organisations undertaken “to create a greater coherence, and to reduce redundancy, lacunae and contradictions within and between policies, implementation, or management” (Bouckaert et al. 2010, 16).

Coordination mechanisms and instruments: A multitude of coordination instruments might be used in central governmental arrangements. The typology is utilised in this chapter based on mainly the distinction between procedural and structural instruments and between hierarchical and non-hierarchical instruments. Coordination mechanisms – whether conscious or unconscious – are often charted along several dimensions and/or clustered into various groups. Ouchi – building upon the neo-institutionalist framework of Coase and Williamson – introduced, for example the tripartite classification composed of markets, bureaucracies, and clans (Ouchi 1980). However, other frequently cited authors (such as Powell 1990, Thompson et al. 1998) proposed that the third mechanism, in addition to markets and hierarchies, should be networks rather than clans. Hierarchical instruments rely on authority and power, the non-hierarchical instrument (market or network type of coordination) based on bargaining and information, and network mechanisms on mutual co-optation and mutual norms (Verhoest et al. 2009).

In terms of identifying plausible dimensions, along which coordination mechanisms could be positioned, it is rather a practical distinction between procedural coordination instruments and structural coordination instruments (Verhoest et al. 2009). Procedural coordination refers to the interactions between the main “players” and organisations involved in the government arrangement, but specifically those defined in legally set procedures. A procedure means a formal interaction between actors and organisations that leads to the actions of government. Structural coordination, on the other hand, groups together the interactions handled in legally defined decision-making arrangements, mainly coordinating committees or body with (some sort of) power over other actors or stable systems for information exchange.

Methodology and results

The chapter has mainly descriptive ambitions. In this context, the first research question is the following: RQ(1): What were the main milestones of reforming the coordinative functions within the Hungarian central government and what were the basic structural characteristics of them?

In addition to giving a general description, the study is particularly interested in one specific aspect of central government coordination reforms; namely, the type
of coordination instruments chosen in order to mitigate coordination problems. In order to examine and classify the type of coordination instruments introduced within central government, the second research question, therefore, is the following: RQ(2): What types of coordination instruments (instrument mixes) were adopted in the different reforms?

The core research subject of the study – changing patterns of coordination within central government – can be best described and analysed as four, clearly separate, governmental periods or milestones. These four cases (the governmental periods between 1990–1998, 1998–2006, 2006–2010 and 2010–2014) will be described, and the coordination instruments will be analysed. In order to answer the research questions, three sources of data are used. Legal measures (laws and other regulations) and official documents are predominantly used to describe the changes of governmental structures. The coordination landscape of post-transition Hungary is examined on the basis of a review, and secondary analysis of available (mostly Hungarian language) literature. In addition, primary empirical sources are utilised. In-depth interviews with present and former senior officials and experts, particularly knowledgeable in the field, were conducted. So far, five interviews have been performed with such governmental key figures and/or experts. The interviews were conducted between 2012 and 2014. The emerging empirical material was analysed using a document analysis worksheet.

Central government coordination in Hungary: The coordination landscape of post-transition Hungary

Throughout the 1970s and 1980s, the executive government mushroomed in a highly fragmented way, lacking strong systemic coordination, the only exception being the central party coordination/control which, however, ceased to exist in 1989 (Müller 2011a, Sárközy 2011). In 1989 and 1990, during the transition, all Communist party structures were eliminated, communist traditions were rejected and a government model conferred with strong command and control power was inconceivable (Müller 2011b). Therefore, many “blocking” elements were initiated. These elements mostly originated from the political deals stroking around the system change and were driven by such factors as (i) an intention to block any future attempts at reverting the liberal democratic political changes and (ii) the partly unfounded idealism of major political forces and their partly naive belief in the self-organising and controlling capacity of politico-administrative systems. These building blocks, in sum, resulted in a governance system – sometimes referred to as “regulatory impotence” (Hajnal 2010; see also Sárközy 2011) – limiting policy makers’ capability to act to a dysfunctional extent (Hajnal and Kovács 2013). Therefore, from 1990 there were very few and weak instruments geared towards coordination in central government (see also Hajnal 2006, 2009, 2012). On a general level, in the post-transition period (between 1990 and 2014) four important milestones can be
identified in relation to the structural features of central government coordination. This chapter presents an overview of these reform waves.

**The initial phase (1990–1998):** As mentioned above, in the initial period, the instruments of government were very limited and modest to coordinated sectors. In a central government coordination context, one of the first and most substantial coordination instruments was the Prime Minister’s Office (PMO) with a prominent role within the governmental consultation process on decisions. At that time, the PMO had a fairly narrow scope of competences by enforcing the coherencies of government decisions on the whole legal system. The PMO provided technical legal control and supervision on the Bills and ministerial drafts launched by one of the ministries during the codification process. One of the mechanisms of horizontal administrative consultation – but not a very effective one – was the preliminary opinion process which means a horizontal flow of information and ideas between ministries in the initial phase of the governmental decision-making process. Another formal – and one could possibly say – the most powerful and functional coordination instrument was the Council of Permanent State Secretaries (CPSS). Permanent State Secretaries were, from 1990 onwards, the highest ranking administrative officials in ministries. The CPSS met once a week – every Thursday – and discussed each and every item on the agenda of the next Cabinet Meeting (scheduled for Monday of each week). That is, no issue could be put on the Cabinet Meeting’s agenda without the prior consent of the CPSS. In case of disagreement, the CPSS could either send back the proposal for a further round of administrative consultation/re-drafting or ask for a political decision by the Cabinet on the subject matter. The highest and most important arena of political consultations was – and still is – Cabinet Meetings, where principally the strategically important issues took place.

**The expansion of the PMO’s role (1998–2006):** In the context of developing central government coordination, the second milestone was the first Orbán Cabinet’s 1998 reform of the PMO, involving a definitive strengthening of the PMO’s role and position vis-à-vis the ministries (and likewise, the role of the PM vis-à-vis his/her ministers). The core of this change was the creation of a structure mirroring the ministry structure (with a profile e.g. for economic and financial issues, agriculture, environment protection, foreign affairs) within the PMO (“referral” system), whereby each mirror department was entitled to examine/filter/reject initiatives coming from the respective ministry before it could go on the Cabinet’s agenda and provide adequate information and report to the PM about the activities of sectoral ministries. From 1998, beyond the coordination of policy interests, the PMO provided an arena for lower level political discussion. Four political state secretaries were appointed to supervise the operation of the “referral” system. Due to the relative importance of their positions, their opinion carried great weight and therefore, they could effectively represent the PM’s interests. Another range of elements of the reform is that the PMO was enabled to – beyond the original competences
of expressing preliminary opinions on ministerial drafts – prepare submissions on highly important and political salient issues. These drafts tended to represent the central government’s – or rather the PM’s – positions and interests. During this period, the PMO’s functions were expanded to the highest level. The policy domains that were considered as highly political salient issues had been delegated to the PMO in order to guarantee the central direction. However, the proliferation of functions contributed to the reduction in the PMO’s coordination capacity among policy fields (Müller 2011a).

Towards the expansion of political command and control (2006–2010): The third milestone in the central government coordination reform was a set of closely interrelated measures introduced in early 2006. By and large, these measures were labelled as the “strengthening of political governance”. They included, amongst others, the following elements. First, the extension of the PM’s authority provided indisputable and clear evidence for the shift of power from ministries and their agencies towards the PM and his apparatus. Both the government and the strategically most salient coordinating bodies were led by the PM himself. Second, the abolition of the position of PSS and the entire institution of CPSS was replaced with a similar, but more political structure, the Committee of State Secretaries staffed by political appointees. This committee tended to play a similar – but less powerful and controversial role than the CPSS did. According to certain views, its lack of performance and weight can be attributed to its more political nature, leading to a sort of duplication of the Cabinet Meeting’s role. Third, the introduction of a procedure called “policy consultation” (from 2010 renamed “preliminary judgement by the Ministry of Public Administration and Justice”) required each ministry to have its proposition approved by the PMO prior to the administrative consultation process. This involves a review of legal and financial conformity of the submission and approval by the relevant PMO/MPAJ staff. As regards the “referral” system, there were no significant changes in its function. The mirror departments were working as separate departments within the PMO until 2009 (although they were renamed in 2002) when the technocratic Bajnai-government merged them with the legal department of the PMO (Müller 2011a, 123). In addition to the above mentioned changes, an overall structural government reform programme was initiated to enhance coordination, including such elements as merging ministries and agencies and establishing coordination committees for special policy fields (e.g. the European Union Harmonisation Committee).

De facto presidential government (2010–2014): From 2010, with the inauguration of the second Orbán Cabinet, a strong quest to enhance the central control and coordination over administrative apparatuses emerged (see also Hajnal 2014). Therefore, a broad and overwhelming state reform was initiated. The continuing and very intensive strife to maximise top-down control over the politico-administrative sphere in the broad sense (and even in the wider societal realms such as the
Analysing the New Patterns of Hungarian Government from a Coordination…

economy and culture) involves a range of elements, partly extending even beyond the executive branch (for more details see Hajnal et al. 2013, Dobos and Soós 2013, Hajnal and Kovács 2013, 2014). Within the framework of this study, we are focusing particularly on measures and details that characterised the central government coordination changes. The most remarkable features of the reform can be emphasised by three elements:

- The ministerial structures underwent far-reaching structural changes, as a result of which, eight integrated “super-ministries” emerged.
- At the same time, the PMO was re-structured into a Ministry of Public Administration and Justice (MPAJ), with a Cabinet Office rapidly growing from a staff of a few dozen to a few hundred, with both organisations being characterised by a broadening task portfolio.
- In 2010, the second Orbán Cabinet re-introduced the pre-2006 arrangements of the Permanent State Secretaries (PSS’s) and their committee (CPSS).

In the following section these measures and their coordinative functions will be described. With the re-introduction of the Permanent State Secretaries’ arrangement, the second Orbán government tended to return to the traditional governmental model which dominated between 1990 and 2006, which makes – at least in a normative sense – a formal distinction between political and non-political leadership within ministries (Müller 2010b). With the replacement of the position of permanent state secretary, the Committee of Permanent State Secretaries (CPSS) was revived. The professional and political problematic points regarding sectoral proposals were raised at the CPSS’s meetings. If consultation does not prove to be effective, MPAJ may decide the question “by force” which is not regulated formally. Practice, however, indicates that “the decisions and suggestions of MPAJ were approved by most ministries” (Bíró 2014).

Concerning the Prime Minister Office, although it ceased to exist formally, in fact its functions and duties were split into two parts: the Prime Ministerial Cabinet Office (formerly part of the PMO and separated in 2012) which primarily functions as the direct institution of the PM, and as a stage for political questions; the governmental coordination tasks of the former PMO (coordination in professional issues) were transferred to the MPAJ (Müller 2010b). It shows that party policy consultation and decision-making are structurally separate from the professional coordination within the central government. Focusing on the “power relation” between the role of the two-key coordination organisation, the proportion and weight of political and administrative coordination power changed during the term. From this aspect, the term of 2010–2014 can be divided into two stages. In 2010, when MPAJ took over the key role of government coordination, it gained such instruments as power, besides the coordination function, that placed MPAJ above the other min-
istries (from a normative point of view, however, ministries remained equal). They are summarised as follows:

- The importance of MPAJ is obviously indicated by the key role of its minister. The minister of MPAJ has been placed into the position of deputy PM.

- Due to the reforms of 2010, which proposals of ministries are to be forwarded to government consultation are no longer decided by the consultation of state secretaries, staffed by political appointees created by the second Gyurcsány-government, but by the permanent state secretary of MPAJ himself. Practically speaking, the administrative centre of the government decides whether policy initiations can enter into a governmental decision-preparation phase.

- The new civil service legislation (see also Gajduschek 2011, Gellén 2014) puts the recruitment and hiring process of the central state administrative apparatus under strict vertical (administrative and political) control. From 2010, recruitment has been strictly controlled by the core ministry (MPAJ), which is considered as a veto right, enabling its holder to enforce political considerations against those which are administrative/technical. It has been an unknown governmental vertical coordination measure in practice up until now (Müller 2011a, 135).

- The coordination instrument is aimed at the standardisation of the various ministerial organisations that enables the minister of MPAJ to define unified regulations of the operations and structure of all ministries, and it also prescribes the approval of the bylaws of ministries to the prior consent of the MPAJ. The declared aim of the standardisation of bylaws of ministries and their prior consent is to avoid this duplication (Bíró 2014).

According to the permanent state secretary of the MPAJ, “the structural transformations requiring strong administrative coordination within the central government were executed between 2010 and 2012. In this period, the MPAJ became the dominant actor of governmental coordination.” (Bíró 2014). However, in 2012–2014, strategic and political questions gained dominance in the operation of the central government. The “political interests are centred in the PM’s Cabinet Office as meetings of pure political actors take place there. Therefore, since June 2012, the role of the Cabinet Office in government coordination has become more active.” (Bíró 2014).

**Discussion and conclusion**

The chapter gave an overview of the history of the central government coordination instrument within the post-transition era of Hungary. It aimed to respond to the first research question posed in Chapter 3, namely: *RQ (1): What were the main milestones for reforming the coordinative functions within the Hungarian central government and what were the basic structural characteristics of them?*
Based on the overview of the literature, academic debates and government documents surrounding the issue between 1990 and 2014, four important milestones were identified in relation to the structural features of central government coordination. These periods show a rather stable pattern: the central government coordination has been, with the desire to strengthen it, throughout Hungary’s post-transition history, a very frequent, one could say escalating objective, of administrative reform intentions and actions. As regards the solutions chosen for enhancing coordination (the coordination instruments) the following key findings have been established regarding the commonalities of reforms.

- First, most of the governmental efforts to improve coordination centred on the PMO and the state secretaries’ committees. Coordination was hoped to be improved by shifting the power distribution towards the central government (the PM and his political executive apparatus) away from the ministries and “their” sectors.

- Second, the different structural and procedural measures being (re-)introduced can be characterised as containing varying mixes of mostly hierarchical, but also non-hierarchical, instruments which were introduced in the different reforms. Notably however, these instrument mixes – and the experiences with them – differed in some important respects. These differences are briefly summarised in the table below.

From the point of view of the current study, the key conclusion to be reached on the basis of this analysis is that efforts at improving coordination were limited to an extremely narrow set of measures, restricted practically to the strengthening of the PMO’s (after 2010, MPAJ’s and Cabinet Office) role in, and bureaucratic-hierarchical, control over, the coordination process taking place between sectoral/ministerial apparatuses. The entire problem perception, or framework, in which policy makers, politicians and academics alike conceived the very problem of coordination, was restricted to this “top-down” style conceptualisation. Other approaches, understandings or instruments forming a standard element of the coordination discourse, as well as the action repertoire in countries of Western/Northern Europe or North America – such as non-bureaucratic (network or market type) coordination mechanisms, “bottom-up” or horizontal coordination concepts or arrangements – were almost entirely absent.
Table 1
Coordination instruments’ changes in subsequent structural reforms in central government

<table>
<thead>
<tr>
<th>Type of instrument</th>
<th>Changes in central coordination instruments</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>1990–1998</td>
</tr>
<tr>
<td>Structural</td>
<td>• A “referral” system entitled to examine/filter/reject initiatives prior to the Cabinet’s meeting.</td>
</tr>
<tr>
<td>instrument</td>
<td>• Four political state sectaries were appointed to supervise the operation of “referral” system.</td>
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<td></td>
<td>• Merging ministries and a number of agencies.</td>
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<tr>
<td></td>
<td>• The mirror departments were merged with the legal department of the PMO.</td>
</tr>
<tr>
<td></td>
<td>1998–2006</td>
</tr>
<tr>
<td>Procedural/</td>
<td>• PMO supervises the ministerial submissions regarding the legal and codification aspects.</td>
</tr>
<tr>
<td>management</td>
<td>• PMO was entitled to prepare submissions on highly important and politically salient issues.</td>
</tr>
<tr>
<td>instrument</td>
<td>• The formal and informal extension of the PM’s authority.</td>
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<td></td>
<td>• The “policy consultation” each proposition required to be approved by the PMO.</td>
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<tr>
<td>Rather hierarchical</td>
<td>2006–2010</td>
</tr>
<tr>
<td></td>
<td>• Merging ministries and a number of agencies.</td>
</tr>
<tr>
<td></td>
<td>• The mirror departments were merged with the legal department of the PMO.</td>
</tr>
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<td></td>
<td>• Eight integrated “super-ministries” emerged.</td>
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<td></td>
<td>• PMO was re-structured into an MPAJ and a Cabinet Office. Both organisations were characterised by a broadening task portfolio.</td>
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<td>2010–2014</td>
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- PMO: Prime Minister’s Office
- MPAJ: Ministry of Public Administration, Justice and the Public Service
<table>
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<tr>
<th>Structural instrument</th>
<th>Procedural/management instrument</th>
<th>Source: own compilation and analyses.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rather non-hierarchical</td>
<td>• Council of PSS discussed all items on the agenda of Cabinet Meeting. • Cabinet Meetings were the highest forum of political consultation.</td>
<td>None substantial changes.</td>
</tr>
<tr>
<td></td>
<td>Abolition of the position and councils of PSS. Another coordination committee replaced it, staffed by political appointees.</td>
<td>The pre-2006 arrangements of PSS’s and their committee (CPSS) were re-introduced.</td>
</tr>
<tr>
<td></td>
<td>Establishing coordination committees for special policy fields.</td>
<td>The importance of a horizontal preliminary opinion process entirely eliminated.</td>
</tr>
</tbody>
</table>

Source: own compilation and analyses.
References

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Lampert, M. 2014. Personal communication, 8 May 2014.


Public-Private Partnerships in CEE: Enhancing Governance or Deepening Mismanagement

Abstract

New concepts, such as the Neo-Weberian State (NWS) or New Public Governance, are thought to have taken over as dominant paradigms in the field of public administration. Nevertheless, it seems that the various attributes of New Public Management (NPM) still resonate very strongly within the practice of public administration in most CEE countries. Public-Private Partnership (PPP) is one of the aspects originally believed to be incompatible with the NWS framework. Yet, this kind of arrangement has become relatively popular in CEE countries in recent years. The question is whether PPPs, in the context of Central Europe, have been a tool of good governance or rather an additional source of trouble for the public sector. In this contribution, a brief overview of CEE countries’ experience with the PPP implementation process is provided, together with a discussion on the future of the NPM-inspired reforms in the region.

Keywords: Public-Private Partnership, New Public Management, Neo-Weberian State, good governance

Introduction

In my research I was interested in the question of the compatibility of Public-Private Partnerships with the concept of good governance and with other new paradigms in the field of Public Administration after a shift from the dominance of the New Public Management reform agenda. The aforementioned problem is also the main focus of my PhD thesis. In this respect, the experience of CEE countries seems to be

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Reflections on Good Governance in Visegrad and beyond

particularly relevant since States in transition are expected to be relatively more vulnerable when it comes to the challenges PPPs pose to a general governance framework. The very question of the suitability of PPPs in the context of CEE emerges with certain urgency. The topic of this chapter thus reflects some of the current conceptual debates and also some of the most serious concerns about the state of public administration in the CEE region. It is closely related to the main theme of the recent NISPAcee 2014 Conference, where several presenters called for a reintegration of the fragmented post-NPM reality and to find ways in which the best of all approaches could be utilised in political and administrative practice through the modernisation of administrative procedures (Kovač 2014). At the same time, I put forward several presentations in panels dealing with government-governance transition, Max Weber’s legacy and public procurement that pointed out how fragile the institutional frameworks of post-communist countries are, thereby raising doubts that PPP could be a viable method to be used to construct and upgrade the infrastructure in our region.

There is a substantial amount of literature dealing with the implementation of Public-Private Partnerships in Anglo-Saxon countries and other, mainly Western European countries, with highly developed PPP markets. Several authors focused their attention on PPPs in developing countries and countries undergoing a complex transformative change. Quite recently, researchers have also begun to explore the developments in individual countries of Central and Eastern Europe. Nevertheless, broader comparative analyses of the PPP phenomenon in this part of Europe have been largely missing. After a swift probe into the history of infrastructure developments in the region of Central and South-Eastern Europe, it becomes evident that PPP is far from being a new concept and was only imported from the West a couple of years ago. There are many examples of private companies raising funds for, and then constructing and operating key infrastructure projects dating back to the late 18th and early 19th centuries, in the most developed countries of that era. It was the first concession projects that laid the ground for the countries’ railway networks and enabled the construction of landmark structures such as the bridges across the Danube or Vltava rivers. Apparently, the initial experience with private involvement in the provision of public infrastructure is, in many ways, similar to that of West-European countries with all their negative and positive aspects. However, the tradition was interrupted and, for at least 50 years, replaced by a completely opposing type of paradigm in countries of the former Eastern Bloc. Shortly after the fall of communist rule, privatisation of state industry was at the top of the governments’ agenda, followed by considerations about how to reform the public sector to make it compatible with the needs and conditions of the market economy and civic society. Various reform concepts emerged, mostly based on Western schools of thought, including the New Public Management (NPM) that placed special emphasis on the implementation of private sector principles or private sector direct participation in
the execution of tasks so far reserved for the various levels of government or government agencies.

What we call Public-Private Partnership today is still very much anchored in the New Public Management (NPM) era and its agenda of public sector reform that led to substantial organisational changes undertaken by governments in many countries around the world from the 1980s onwards. Some time ago, however, rumours spread in the scientific community that NPM had died (Dunleavy et al. 2005). Although no official funeral has been held (perhaps partly because no compact body could be found, as NPM had been known for its dispersed character), several pretenders emerged, competing for the position of dominant paradigm in the field of Public Administration and Management: The New Public Governance (NPG) (Osborne 2010). Digital Era Governance (DEG) (Dunleavy et al. 2005) or Neo-Weberian State (NWS, Pollitt and Bouckaert 2004) appeared to be the most serious candidates offering an ever more complete and sophisticated understanding of, as well as new solutions for, public policy implementation and public service delivery. The future of the apparently orphaned PPP seemed to be insecure, or, at the least, could not be taken for granted. Some of the contending large models did include PPPs on their respective menus, some did not. (Pollitt and Bouckaert 2011, 24–25) All of them, nonetheless, appeared to be, to various extents, critical of the way PPP has worked and performed, thus hinting at what should change should PPP be adopted in the new regime without a hitch. In essence, the conditions they place are similar but with different accents. On top of that, new alternatives to traditional PPP, such as the Public-Private-Citizen Collaboration (PC2) model (Hayllar and Hui 2010) have been proposed.

To complicate the matter even further, a number of scholars continue to dispute whether or not NPM is really dead (Vries 2010; Vries and Nemec 2012). According to them, it is not even fatally wounded and, indeed, evidence can be found that in many countries – especially in those that have not been very affected by the first wave of the NPM in the 80s and 90s – NPM remains a strong source of inspiration and an engine behind certain public sector reforms. In addition to that, even in the advanced countries, as Margetts and Dunleavy noted, “the public managers whose approaches were shaped during the heyday of NPM may resist the implementation of (the new wave of) significant organisational changes…” (Margetts and Dunleavy in Dunleavy and Carrera 2013, 28). Similar resistance, no doubt, could be observed when the NPM-inspired reforms were pushed through in hostile environments where administrative structures were under the influence of other paradigms or quasi-paradigms.

In the relative world of public administration and management, the end of a paradigm cannot be as clear-cut as perhaps researches would like it to be. A paradigm shift, therefore, should not be understood as a violent rupture, but rather as a diffusion of ideas where any resulting development is rooted “in soil that is very old
indeed” (Lynn 2010, 119) and where once the attributes of a perishing regime may, if they are popular and flexible enough, become attributes of the new one. In their reform effort, countries can choose from a broad range of options – from simply regulating the existing planting stock, altering or replacing individual young plants to radical ploughing and loosening the soil in the whole garden. Some countries prefer to pick seedlings from foreign plants, even the demanding ones for their neglected gardens, and are surprised when these plants die or turn into ugly weeds that outgrow the gardeners. In countries whose systems of government suffer from serious socio-pathological tendencies, mixing in individual paradigms’ components without a complex sanation of the whole structure may produce a particularly harmful cocktail, or, to stick to cultivation terminology, an ungovernable jungle.

PPP in the real world obviously survived the theoretical shift and, as of now, it seems that it has also survived the financial and economic crisis. Such resilience gives PPP a certain weight and credit, but important questions remain to be answered. To what extent has it actually adjusted to the changing demands of the wider environment, shaped by either the new paradigms or national administrative and cultural contexts? What are the dominant factors influencing the compatibility of PPPs with good governance principles? How have the different public sector reform dynamics and national institutional frameworks affected general approaches to PPPs and their performance?

Methodology and preliminary findings

The methodological approach of this chapter is mainly empirical, making use of specific tools of institutional analysis. The selection of cases was made with the intention of obtaining a sample of countries with a traditionally strong role of state in the provision of its transport infrastructure, but with a different overall quality of public institutions. The observations on the case countries’ PPP policies are mainly based on published official documents, such as public procurement and PPP laws, government strategies, programmes and plans and other materials gained through requests under the freedom of information Acts.

It is not the number of successful projects that provides a good indicator of performance of a particular PPP programme, but rather the share of projects or attempts that ended in failure and the amount of public money lost as a result. There are significant differences between the case countries in this respect. Finland has so far cancelled two considered PPP projects. Both were railway projects and did not even reach the tender phase. Thus this decision did not constitute any significant waste of public money. At the same time, two of the four transport PPP projects in Slovakia were cancelled after the contracts were signed, according to the Slovak Ministry of Finance (2013). The total amount of contractual fines and other compensation that had to be paid subsequently has not been disclosed, but
has been estimated to be about 140 million euros. Similarly, all three transport
PPPs in the Czech Republic have been cancelled, one of them at an advanced level
of preparation and one of them after the contract was signed, meaning at least 5
million euros already invested in the projects’ preparation and more than 19.5
million euros in penalty payments were lost (Czech Ministry of Finance 2013,
Transparency International 2009).

Meanwhile, of the seven PPP motorway projects in Poland, four sections have
been realised, but all with significant delays. From the three unsuccessful projects,
in two cases the concessionaire was not selected (at the tender stage and at the stage
of tender preparation). In the third case, the project failed a year after the contract
was signed, due to the lack of private financing, most probably caused by the finan-
cial crisis. This prompted the concessionaire to sue the state to recover the costs of
design works performed at the time. The concessionaire calculated the sum of com-
ensation to be 36 million EUR (Majszyk 2013). In Hungary, after what had been a
rather enthusiastic beginning, a combination of factors, including radical political
changes and the impacts of the financial crisis, led to abandoning the majority of
already signed projects, incurring penalty payments of 650 million EUR (Juhasz
and Scharle 2014). The evidence from case countries suggests that transition coun-
tries register a substantially higher proportion of PPP projects abandoned at vari-
ous stages, most notably in the post-procurement phase where the damage is most
serious. The reasons for that can probably be found in the specific qualities of the
general political system and in countries’ institutional frameworks.

As mentioned above, active support from the main political parties is criti-
cal to the successful implementation of PPPs in any country. As not all PPPs can
reliably demonstrate value for money at the outset, it is the politicians who often
have to take the responsibility and, once the contract is signed, do not let the
project fail. When assessing the case countries, the various attitudes of politi-
cal representations can be identified. Finnish governments and the main political
parties have, for a long time, practised indifference to PPPs, meaning that no
project was to be a priori procured as PPP, but when PPP proved to make sense
both in economic and social impact terms, the government would not place any
hurdles in its way. In principle, the Finnish government “simply keeps all options
open” (Leviäkangas 2013, Government Office 2011). At the same time, once a PPP
project receives final approval, it is improbable, or rather unthinkable, that any
change in government or in the civil service would affect the realisation phase or
even put the future of the project in question.

The same cannot be said about the situation in the selected Central Euro-
pean countries. In Poland, the Law and Justice Party, when in power, threatened
to abolish the PPPs signed by the previous government and only the imminent
2012 European Football Championship disgrace kept the projects on track. Simi-
larly, PPP as a procurement method was abandoned by the right-wing coalition,
shortly after the construction of the first and also quite controversial, Slovak PPP motorway (Szekeres 2013). Nevertheless, the ongoing government obligations were honoured. The Czech Republic probably has the worst record in respect of all EU countries, although judging from the public declarations of the main political parties, there should be a clear consensus in favour of PPP implementation. In contrast to most other nations, political risks were perceived as one of the most serious by the Czech PPP professionals in the survey carried out (by Roumboutsos et al. 2013). In Hungary, after the Prime Minister Viktor Orbán obtained an absolute majority in parliament, an “unorthodox” economic policy was introduced, bringing about the dominance of preferred private – preferably domestic – suppliers in tenders. PPP policy was one of the topics to be restructured in the new era, meaning most projects were to be cancelled.

Different approaches to the construction of a PPP institutional framework can be found in the case countries, depending on historical and cultural backgrounds. Poland seems to veer towards the creation of numerous formal institutions as well as adding a number of regulations related directly or indirectly to PPPs (Lukasiewicz 2014) whereas Finland does not see the need for incremental PPP-related institutions and regulations. (Leviakangas 2013) Apparently, a dichotomous approach can be observed between the two models of PPP regulatory and institutional framework building. The one that Finland represents, which takes PPP management more towards the direction of running PPPs as part of the routine societal decision-making processes and the other one with a high level of dedicated institutionalisation and additional, perhaps somewhat excessive and inefficient governance is embodied by Poland. The Czech Republic, Hungary and Slovakia are clearly “in-between” observations, having abandoned or significantly reduced PPP-supporting units and being reluctant to adopt PPP specific regulations (Szekeres 2013, Witz 2013, Juhasz and Scharle 2014). The government’s incapacity to manage PPPs properly resulted in a relatively higher PPP failure rate.

Discussion points and conclusion

With a paradigm shift from NPM to the new governance framework, the issue of institutional foundations of PPPs came under the spotlight, together with the applicability of good governance principles and the possibility of introducing appropriate administrative procedures. There has been a significant deficit in this respect in the most advanced countries to date and it was suspected that transition countries may have faced even greater challenges implementing PPP, raising doubts about the suitability of the model and its compatibility with new regimes.

It becomes apparent that even relatively sound PPP institutions are useless in countries with a shaky political environment where successive political decision-makers and even external actors distort or reverse long-term strategies and
projects, thus preventing continuity, which is the key to PPPs’ success. When political support and the constructive approach of responsible institutions last long enough, PPPs can make their way through. However, transition countries with less developed institutions may need to very clearly define the role of the actors and procedures to be used. In countries with traditionally sound procurement capabilities and procedures, once a PPP gets the go-ahead, political changes usually do not affect the procurement/realisation of projects. In contrast, PPPs in several CEE countries suffer from negative political interference – PPPs get cancelled or seriously harmed at a late stage in the procurement process or realisation due to various changes in government. Moreover, politics in CEE countries may cause the selection of unviable projects which has often resulted in wasted procurement costs and sometimes even penalty payments by the respective public authorities to private contractors. Therefore, it is advisable to deflect PPP implementation from changing political interests and the clientelist networks in power. This can be achieved, amongst other methods, by having national-level PPPs endorsed by parliaments. There have been signs that transition countries with specific PPP Acts that are sufficiently clear and concise perform better – the law sets out the rules for all actors concerned and prevents uncertainty. If nothing else, it at least clarifies the use of terminology. Overall, there is a need to depoliticise and objectivise the selection of projects and procurement process.

The country observations seem to imply that more systematic organisational and procedural measures should be taken by any government considering PPPs, irrespective of individual private interests. These procedural measures should begin with an increased transparency about, and better public reflection of what went wrong in the PPP implementation process, as well as in previous PPP projects and why. This learning process is crucial for developing the appropriate knowledge and skill capacities within both the private and public sectors. Establishing dedicated PPP institutions can deliver certain benefits. While perhaps not necessary in countries with long-established procurement procedures, PPP units proved to be important in transition countries. They have the ability to drive the procurement costs down. They enable a concentration of knowledge and skills, which is otherwise missing. By doing so they may find themselves being threatened by various external influences. At the same time, too many PPP units with overlapping competences may cause confusion and inefficiencies.

Nevertheless, the design and division of tasks and competences need to be carefully considered to prevent overlaps and the creation of excessive capacity and extra red tape.
References


The Future of the Weberian Bureaucratic Model in the Light of New Public Management in CEE

Matúš Čupka

Abstract

The classical bureaucratic model designed by Weber has reached its limits in CEE countries. Both the socio-economic and political environment has meant that Weber’s focus on efficiency, responsibility or accountability was replaced by depersonalisation, rigidity, and goal displacement. This led to an overall distrust in the bureaucracies, both at national and local levels. This chapter will thus focus on the possible improvements that can help the current bureaucracies in CEE countries to regain trust through improved performance, interaction with the public and efficiency, based on New Public Management and the Market Model. Such a reform of public bureaucracies could significantly improve the services provided by the State, not only to the wider public, but also to the business sector and thus help CEE countries in their push towards reaching Western living standards.

Keywords: bureaucracy, public sector reform, Weber, New Public Management, CEE

Introduction

I have been preparing my PhD thesis on the topic of the relationship between active citizens and local municipalities. Both are significant stakeholders at the local level of our societies. Their interaction is shaping not only the way our cities or towns are formed and improved, but also the level of trust we have towards our political representatives. Here, bureaucracy plays a crucial role, as it is the executor of civic requests and political decisions. Its ability to effectively execute decisions in both a timely and qualitative measure improves or damages the way in which we interact with local authorities. Local municipalities in CEE had become an example of the

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classical Weberian model of bureaucracies, driven by rationality, responsibility and accountability. However, the rising mistrust between civic society and public authorities highlights the need for a crucial reform of current bureaucracies.

Such criticism was highlighted by a number of presentations at the 2014 NISPAcee Conference held in Budapest. Notably, Koht and Reinholde (2014) argued that the current bureaucratic systems in CEE countries are facing deepening issues of depersonalisation, causing decreasing trust in bureaucracies and goal misplacement, leading to a lagging effectiveness of the public sector during the execution of its responsibilities. Gal (2014) further added the rigidity of the system as a prime cause of limited civic participation within the decision-making process. Thus cross-sectorial cooperation between the civic and public sector is showing more potential than results. Čupka (2014) further elaborated on the rigidity, by providing examples of Slovak active citizenship struggling with implementing changes in the system of public bureaucracies via local municipality representatives, thus hinting at the struggles in developing positive changes coming from the bottom-up, leading to improving good governance in the CEE region.

**Methodology and selected results**

The emphasis is on qualitative data collection regarding the theoretical background of the Weberian theoretical model and New Public Management model. Sources are elaborated through internet research of the available academic resources. Special emphasis is placed on the academic resources presented during the last NISPAcee Conference in Budapest. Thus, the identification of potential public bureaucracy of CEE countries’ improvement is based on an empirical theoretical comparative analysis between the main definitions of classical bureaucratic theory and the New Public Management model.

The classical Weberian theory meant an important breakthrough in the development of formal bureaucratic organisations. They were based on the state’s monopoly of using force within prescribed rules. It ought to provide a functioning bureaucratic apparatus executing the diverse functions of a modern State (Weber 1922). As Weber (1922) argues, the structure of such bureaucracy would be based on rationality, hierarchy and legislatively prescribed functioning of each bureaucratic unit. The individual would be subject to authority and career ladders, which allowed developing one’s career based on written rules, education or objective criteria. Thus, bureaucracy ought to become a rational-legal authority, representing the state within the society.

However, the spreading of the Weberian model in continental Europe led to increasing criticism. Hill (1972) argued that formality does not always mean effectiveness. He raised the question as to whether formalised rules are guaranteeing effectiveness and thus a positive reaching of goals. His research showed that the We-
The Future of the Weberian Bureaucratic Model in the Light of New Public...

The Weberian model, if applied broadly, causes mixed or questionable results from task to task. Furthermore, the hierarchical model created room for avoiding accountability by specific bureaucratic units, where lower tier employees could move certain tasks to their superiors or even other bureaucratic units. The Weberian model, based on education or rationality showed weaknesses in actual practice involving political powers being mixed with bureaucratically bodies.

Bureaucratic systems in CEE show signs of a failing Weberian model, when civic inputs are often rejected due to a lack of accountability or the inability of public authorities to increase their own workload. Furthermore, we observe a growing conflict between the politically elected leadership of bureaucratic institutions and the middle or low management of those institutions, which is dominated by clerks serving short-term periods (for example, Hungary) or long-term periods (for example, Slovakia). Those insufficiencies create room for an administrative reform of both local and public institutions.

The continuing criticism of the broadly implemented Weberian model of bureaucracy caused the elaboration of the new public management (NPM) model. The model, formally described by Hood (1991), was created to modernise the bureaucratic systems implemented in the public sector, based on criticism of governmental policies executed in the 1980s. This model was centred around a management model based on market-based priority setting. It ought to lead to greater cost efficiency without having any negative effects on the services provided. Ferlie et al. (1996) simply described the model as the implementation of measurement and market into the public bureaucracy system.

Attempts to apply market-based mechanisms to the public sector identified several differences that had to be overcome. For example, the public sector’s will to implement changes is driven by political benefits or points, while the private sector is motivated by cost reductions or increasing market share. The public sector is subject to direct political influence or public scrutiny, whilst often being over-complex. On the other hand, markets are driven to simplification, even at higher costs, if it means an increase in market share or brand expansion. There are also strong differences in terms of incentives, work culture, personal characteristics and also the life cycle (the public sector undergoes regular elections causing regular “ownership” changes (Boston et al. 1996)). The OECD (2003) paper described the New Public Management model as an attempt to decentralise large complex institutions, implement measurement in objective planning or execution, external contracting, consumer orientation and the implementation of competition within the system. Strong emphasis is also put on an efficient utilisation of public resources. Furthermore, citizens are transformed into shareholders of the public sector.

The New Public Management model has also become the subject of criticism. As Dunleavy and Margetts (2006) argue, the model became obsolete in the 21st century, which is now dominated by online services or cloud computing. Furthermore,
new theories emphasising civic participation, network governance or participatory budgeting focused in new aspects such as citizenship, democratic authorisation, legitimacy or trust. Those aspects beyond the market model focused on the provider-customer relationship. Strong criticism of New Public Management was made by Chang (2008). He argued that the New Market model created new opportunities for bribery and corruption. His argument was based on the emphasis on external contracting within the public sector. He believes that market forces combined with political influences or “autonomous islands” within the public sector could create corrupt links leading to the ineffective use of public resources. Although the New Public Management model seems to be irrelevant in the West, it may be an important basis for the improvement of bureaucratic models in CEE, which are still stuck in the possibly failed bureaucratic system based on Weber’s theories. In order to push towards closing the gap between the West and CEE in terms of social modernisation, radical reforms of the public sector need to be implemented.

Discussion points and conclusion

First is the reason why the public sector in CEE countries is focused on the argument that the current system has reached its limits and fulfilled its potential in the changing environment of the 21st century. Furthermore, the growth of our civic society increased the pressure inflicted on the public sector in terms of needed tasks from both a qualitative and quantitative point of view. The public sector has to reform in order to develop with the social and technological development of CEE societies which happened after the fall of the Communist regimes. Such reform should be inspired by a combination of the New Public Management model with the proven benefits it had in Western practice and the criticism it caused.

New Public Management offers interesting inputs that could become the cornerstones of a potential reform. First of all, the public sector needs an effective re-definition of priorities in order to steer financial and personal resources towards the priorities of specific bureaucratic units. The current unreformed system simply replicates the same mistakes with insufficient inclination towards changes. Second, a financial audit aimed at identifying duplicate expenditure or tasks within the public sector could mean a reduction of processes in specific bureaucratic units. Furthermore, the emphasis on quality and PR campaigns towards the public could improve trust in the system. Decentralisation and the separation of politics and bureaucracy should be the next step. The role of political management should be redefined anew and politicians or politically affiliated individuals should have the role of overseeing the bureaucracy and not being the actual executors of tasks. This could restore expertise and specialisation into the current system which is dominated by personal interest, political influence and corruption.
In order to learn from the new wave of theories dedicated to public management reform, CEE bureaucracies should be leaning towards holding the citizen in centre stage. This means that while political powers should be reduced in the bureaucratic systems, there is a need for the implementation of civic control within the bureaucratic systems, mostly in the decision-making process. This could guarantee a system of checks and balances that would be a counterweight to corrupt mechanisms that found new opportunities in the New Public Management model. Public interest needs to be present in bureaucracies in order to ensure that none of the three social groups such as politicians, bureaucrats or citizens would have an edge and misuse the system at the expense of the others.

It remains to be seen if the bureaucratic systems in CEE are ready to successfully make the next step in moving towards a more Market oriented model while still keeping the potential for transforming into societies dominated by justice, accountability, and trust, with the individual citizen at the centre of attention. Only then can a true social change happen and the Communist legacy dominated by strictly defined communities will be left behind. Are we ready for the next step?

References


Presidentialisation of Politics and Good Governance in Hungary

Fanni Mandák

Abstract

In the last two decades the political and institutional assets of Hungary have undergone several changes and the Hungarian parliamentary democracy has become more presidentialised in its political attitude, without changing its formal institutional structure. The process of presidentialisation causes a shift from collective political power and responsibility to individual power and responsibility. The chapter studies what kind of effects this change has had on good governance. The main questions are the following: (1) Does the presidentialisation of Hungarian politics reduce or increase the level of good governance’s criteria? (2) Does it reduce the transparency and accountability of the executive’s decision-making processes? (3) Does the centralisation of decision-making increase efficiency?

Keywords: presidentialisation, good governance, Hungary

Introduction

My special field of research is the relationship between parliament and government from the point of view of the presidentialisation of politics. I have written my PhD thesis on the presidentialisation of the executive in Hungary and Italy from the 1980s. With relevance to the mentioned topic, this chapter focuses on how the phenomenon of the presidentialisation of the Hungarian executive affects good governance. The chapter is basically connected to the main theme of the 22nd NISPAcee Annual Conference (Government vs. Governance in Central and Eastern Europe) as it focuses on the various patterns of implementation of “governance” practices in one of the countries in Central and Eastern Europe.

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During the last three decades, the political and institutional assets of modern democracies have encountered several changes. Some parliamentary democracies have become more presidentialised in their political attitude without changing their formal institutional structure. This process, the so-called presidentialisation of politics, has three faces: the executive arena, the party arena and the electoral arena (Poguntke and Webb 2005).

In the decades following the Second World War, political parties gained a determining role in the political systems, which fundamentally formed their politics along social cleavages. The erosion of these, however, had a negative effect on the model of party governing, as parties were unable to fulfil the former role of an agent between the state apparatus and the society as a result of the changes in the social structure. In order to gain the support of the constituents, other identification features were also needed, as the former policies could not fulfil this role. According to this change, the political leader’s role, his personality, his abilities and qualities became more important. In the recent two-three decades, it has been clearly visible in several democracies how power has concentrated around political leaders, how the state was widened and strengthened and how politics became more internationalised. These shifts resulted in a change in politics in several countries. Politics is the kind of procedure during which people with differing opinions and interests establish community decisions and consider them as binding upon themselves, and which they enforce as a Common Position (Lánczi 1999). So the reconciliation of interests, the method, the rules, those who make the decisions and the circle of those responsible for decisions have changed.

The above mentioned changes have resulted in political presidentialisation in some parliamentary democracies. With the so-called de facto presidentialisation, parliamentary systems began to be similar to presidential systems in their working logic and actual political operation, whilst keeping their formal constitutional systems. During political presidentialisation, the mode of governance became more “presidential” without changing the form of the government (Elia 2006). Presidentialisation can be seen in three fields: in the party system, in the election arena and in the field of the executive.

Political literature has been dealing with the centralisation of power around the leaders and with the increasing importance of the roles of political leaders within the parties and within the government for some decades now. From around the 1960s, several political scientists have dealt with the shift from complex institutions to individual political leaders. This feature was first identified in the United States and the United Kingdom. However, the book by Thomas Poguntke and Paul Webb in 2005 mentioned 14 countries – The United States of America, Belgium, Denmark, Finland, France, Israel, The Netherlands, Canada, United Kingdom, Germany, Italy, Portugal, Spain and Sweden – where the signs of presidentialisation were examined and identified (Poguntke and Webb 2005).
Hungarian political literature began to deal with the phenomenon of presidentialisation and its present features in the Hungarian governing system in 2001 when the first Hungarian article on this topic was published by András Körösényi (2001). The publication then began an outstanding scientific argument; however, the topic lost its central trait. All this happened in spite of the reforms brought about by the second Orbán government concerning the structure and operation of the government, which can be connected to political presidentialisation.

Good governance is about the processes for making and implementing decisions. There are numerous definitions and indexes of good government, the most current being the World Bank (n.d.), but for the chapter’s topic it is more suitable to use the definition established by USAID, which is explicitly normative, likening governance to democratic processes of decision-making. It states that democratic governance means transparency, pluralism, citizen involvement in decision-making, representation, and accountability. These characteristics focus particularly on five areas: legislative strengthening, decentralisation and democratic local governance, anti-corruption, civil-military relations, and improving policy implementation (USAID 2005). In other words, good governance is accountable, transparent, effective and efficient, participatory and follows the rule of law. After the definition it is important to create its measurements, indicators and inferences, to operationalised efficiency, transparency and accountability to be able to compare the level of good governance in a country at different points in time. However, the measurement of good governance is problematic and inexact.

Methodology and preliminary results

My aim in this chapter is to reflect on the presidentialisation of the Hungarian executive and what kind of effects this phenomenon has caused on the level of good governance in Hungary. I have used national and international literature – English, American, Italian, German and French – for defining the phenomenon of the presidentialisation of politics and the criteria of good governance. I have primarily used an institutional political science approach with historical aspects. The use of historical aspects is necessary because a full analysis requires the knowledge of the historical bases and background of the studied institutions. In my research I have analysed the institutional changes with the help of primer legal sources. I have examined the presidentialisation of politics in the executive branch with the help of a chronological analysis of the legal background of the institutional reforms. The presidentialisation of the executive can be seen in the change of relations between parliament and government, the headway of government in the parliament and the strengthening of the central governing institution and the head of government. I have analysed the regulations of the constitution, the rules of procedure and the laws regarding the Prime Minister’s Office. I have placed great emphasis on the analysis of the relevant laws and also on introducing the practical results of the changes. Therefore,
parliamentary statistics and the analysis of the central governing bodies’ data are essential to my research. The introduction of the depth and width of practical changes is highly limited because of the availability of statistical data. This has caused me some trouble in examining the Hungarian governing body. In order to introduce the practical side, besides using statistical and other data, I had several professional consultations to collect information and carried out some interviews with professors who have been dealing with this topic for several years and with leaders of the examined institutions.

In the Hungarian parliamentary system, formed in 1989–1990, the Prime Minister had an outstandingly strong position. It was not the government that had a Prime Minister but the Prime Minister who had a government. This phenomenon is essentially important in the development of presidentialisation because an obviously strong Prime Minister broadened his power and brought decision-making under his control.

The changing relations between parliament and government: Owing to the reforms of the parliamentary rules and parliamentary practice in the period examined, the relationship between government and parliament changed: decision-making processes became faster, the Prime Minister and the government became stronger in their parliamentary work (expanding and simplifying the circle of special procedures, high number of “mixed laws”), while the latitude of the opposition was narrowed. The latter was not only the limitation of equipment, but also the result of the governments “self-questioning” and “self-interpellation” practice. One might say that some parts of the presidentialisation tendencies and intentions were institutionalised in the reforms of the rules of procedure; however, in everyday parliamentary work, the tricks applied by the government still strengthen the executive against the decision-making power.

Strengthening the Prime Minister and his office: Several characteristics of presidentialisation can be identified in the aims of the Hungarian government reforms, in their direct or indirect effects and in their results from 1997 until present. At the same time, one can also say that the development of the Prime Minister’s Office resulted in the continuous strengthening of the Prime Minister’s position. The first Orbán government significantly strengthened the institution and centralised political decision-making. He established a new political under-secretary and consolidated the government communication organisational background within the Prime Minister’s Office. The Medgyessy government continued these efforts and strengthened the structure of the Prime Minister’s Office. Furthermore, he also gave new competences to the institution. During Gyurcsány Ferenc’s first period, the Prime Minister’s Office increased its staff number and during the reorganisation in 2006 extended the Prime Ministry’s legal power. Owing to the strong centralisation efforts of the reforms in 2010–2014, a new “centre” within the government was established, known as the Ministry of Public Administration and Justice, led by
a minister who had growing power. In my opinion, smaller clashes of viewpoints between the Prime Minister and the Minister of Public Administration and Justice made it difficult to realise the Prime Minister’s ideas. However, in the long-term, basically that minister could not weaken the Prime Minister as he was also dependent on the Prime Minister considering the lead policies and his own “chair”.

The institutionalisation of presidentialisation in politics at the Hungarian executive level: It is evident, according to the above listing, that in both of the examined fields, presidentialisation is proved in Hungary; however, its measure is not the same. The most spectacular and most determining changes are visible in the case of the Prime Minister’s Office and the Prime Ministry whilst in the case of the relationship between the government and parliament, besides the changes of the rules of procedure, no formal but practical assets also played a role of major importance (e.g. “mixed laws”).

Table 1
Bills by presenters

<table>
<thead>
<tr>
<th>Presenters</th>
<th>Government</th>
<th>Commissions</th>
<th>Deputies</th>
<th>Others</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>2002–2006</td>
<td>470</td>
<td>17</td>
<td>86</td>
<td>–</td>
<td>563</td>
</tr>
<tr>
<td>2006–2010</td>
<td>476</td>
<td>24</td>
<td>93</td>
<td>–</td>
<td>593</td>
</tr>
</tbody>
</table>

Source: http://www.orszaggyules.hu

The reforms of the determining basic documents (the constitution, house rules, laws regulating the structure of the government and its decision-making procedures) and as a result of the changes of everyday politics, the presidentialisation of the Hungarian political system has been proved.

Discussion points and conclusion

My conclusion is that the continuous and increasing presidentialisation of the Hungarian executive, described in detail above, has had a negative effect on good governance. The centralisation of power and political decision-making has reduced transparency, whilst the shift in legislation, so that the executive has become the main actor of the law-making processes, instead of parliament, has lowered accountability.

Regarding efficiency, it would be important to value and study, for example, whether there has been a change in the number and frequency of law modifications; if a law – introduced and approved with a special legislative procedure by govern-
ment – which came into force was modified and how many times, and whether the modifications were administrative, partial or essential ones.

It would be very interesting to create and compose a good governance index by which the set and the development or devolution of good governance in Hungary could be measurable and possible to determine empirically the cause-and-effect relationship between the presidentialisation of the Hungarian executive and good governance level in Hungary.

This empirical research may promote PA education in an effective way as it opens a practical aspect. It could present how institutional changes and formal reforms on political decision-making process may influence everyday practice and good governance criteria.

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Governance and Social Housing in Slovakia: Can Good Governance Be Bad Practice?  

Igor Kiss

Abstract

The main scope of this chapter is to give a brief summary of the present housing and social housing policy in Slovakia. The housing policy is described with regard to its priorities, possible financing and achievement of a set of results. It is being argued that even if the state tried to establish a sustainable housing policy through good governance, in practice this did not happen. The main arguments are supported by statistical evidence.

Keywords: housing policy, social housing policy, Slovakia, good governance

Introduction

My special field of research is housing policy, with the main focus on affordable and social housing. I am also dealing with this topic at the professional level, as a member of a working group on the preparation of a new housing policy strategy in Slovakia for the period 2015–2020 and as a member of a project on social housing, with the main aim of sharing the good practices achieved within this field in various European countries, supported by the Council of Europe and the Italian government.

Good governance represents an important part of every policy’s realisation and it is no different for a housing policy. According to Plumptre’s and Graham’s definition of governance (Plumptre and Graham 1999): “Governance is about how governments and other social organisations interact, how they relate to citizens, and how decisions are taken in an increasingly complex world. Good governance might be defined as a mode or model of governance that leads to social and economic results sought by citizens.”
With the change in the political system in Slovakia after 1989, many influential changes have come into force, including a change in economic priorities, political orientation and the social system. These changes have also had a significant influence on the development of the Slovak housing policy.

The priorities of the housing policy had changed, which influenced the obligatory objectives that the housing policy had been supposed to follow (Kiss 2014). These changes had a direct influence on the development, restoration and structure of the housing stock in Slovakia. The most significant changes in the housing stock were visible after the privatisation of state rental apartments by tenants and after the reduction of new rental apartment construction (Lux 2001). These changes resulted in an increase in the owner-occupied housing stock and a decrease in the rental and social housing stock. In terms of the future sustainability of housing stock in Slovakia, it was necessary to develop a new housing policy that would also include a sustainable housing financing system to provide an affordable housing system for the entire Slovak population. Overall, this period was only the beginning, with the main characteristic being the massive privatisation of former public housing stock and the decline of new public housing construction. The decline in new housing construction resulted from the change of state policy priorities, a lack of public finances and the need to restructure the whole economy. As to the massive privatisation, we can say that the State was unable to take care of the maintenance of all the publicly-owned housing stock. The most intensive form of privatisation began after the split from Czechoslovakia. All tenants living in dwellings owned publicly by the state, municipalities or joint cooperatives, were granted the right to buy the dwelling they were living in, at very reasonable prices. At the same time, it was prohibited by the same law to transfer these dwellings to another person’s ownership and it only applied to the dwelling’s actual tenant (Hojsík 2013). In this way most of the formerly publicly owned housing stock became privatised and privately owned.

Privatisation was accompanied by the restitution of formerly privately owned property, nationalised by the Communist regime for the greater good, following the rule of comparable social status for all citizens, back to their former owners. The main aim of this rent regulation was to protect tenants in former publicly-owned dwellings against arbitrary increases in rent by new private owners (Špirková and Machajdíková 2013). Experts estimate that in Slovakia there are presently 5,000–7,000 flats where the rent will be deregulated by law in 2017. Such a massive deregulation will cause problems for municipalities, who will be responsible for the housing of tenants from deregulated rental flats, but will not be able to provide housing at market prices (Hojsík 2013). Some dwellings, used as social flats during the Communist regime were, after transition, transferred to the ownership of municipalities at the beginning of the 1990s and some of these flats were also privatised later. As stated by Lux, about 57% of the municipal housing stock was privatised in 1998 (Lux 2001). These flats are still in use today, but municipalities are having problems with the maintenance of these dwelling as a result of their age and, at the
same time, lack the financial resources for the construction of new social housing. Within the meaning of the characteristic of housing policy during the Communist regime, as previously stated, we can assume that the housing policy had a social character. After 1989, there was no common definition of a social housing policy in the Slovak law system. As stated by Kiss (Rapošová and Kiss 2014), the Slovak law system was missing a definition of social housing until 2010, when it was defined by an Act, which defines social housing as housing which is partially financed by public funds and which aims to provide decent housing for individuals who cannot obtain housing by themselves.

In Slovakia, social housing is provided mainly by the municipalities, which provide social housing for socially excluded citizens, citizens in poverty and citizens in social need. Nowadays municipalities deal with serious problems resulting mainly from the lack of social housing stock, as well as a lack of finances to provide social services. Municipalities are supplemented by the social housing projects and are mainly run by non-governmental organisations. The intervention of the state in social housing is minimal, is usually aimed at the middle class and has an indirect character in the form of social housing subsidies.

**Methodology and selected results**

As far as the methodology is concerned, in this chapter a secondary data analysis of the relevant qualitative and quantitative studies was conducted. Historical comparative analysis was used for housing policy development evaluation. As described in the previous part of this chapter, the overall characteristic of housing stock in Slovakia has, during the last 25 years, significantly changed. The main changes are visible in the following tables and graphs. As can be seen in Table 1, the most significant changes in ownership of tenures appeared in the formerly publicly-owned ones, when, during 10 years, the share of owner-occupied dwellings increased by 21.5 percentage points (hereafter referred to as p.p.) and on the other hand the share of co-operative and rental dwellings dropped by 7.2 p.p. and 13.1 p.p. Arguments about the massive change of dwellings’ ownership also confirms the historical development of the share of privately and publicly owned flats in the Slovak Republic as seen in Graph 1, with the majority of dwellings privately owned.
Reflections on Good Governance in Visegrad and beyond

Table 1
Tenure in Slovakia

<table>
<thead>
<tr>
<th>Type of dwelling</th>
<th>Specific number</th>
<th>1991</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dwellings in owner-occupied family houses</td>
<td>%</td>
<td>50.2</td>
<td>47.1</td>
</tr>
<tr>
<td>Owner-occupied dwellings in multi-family houses</td>
<td>%</td>
<td>5.2</td>
<td>26.7</td>
</tr>
<tr>
<td>Other dwellings free of charge</td>
<td>%</td>
<td>0.2</td>
<td>1.0</td>
</tr>
<tr>
<td>Rental dwellings</td>
<td>%</td>
<td>21.2</td>
<td>8.1</td>
</tr>
<tr>
<td>Co-operative dwellings</td>
<td>%</td>
<td>22.1</td>
<td>14.9</td>
</tr>
<tr>
<td>Caretaker, service dwellings</td>
<td>%</td>
<td>0.8</td>
<td>0.5</td>
</tr>
<tr>
<td>Other and undetected dwellings</td>
<td>%</td>
<td>0.3</td>
<td>1.7</td>
</tr>
<tr>
<td>Total</td>
<td>%</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


Graph 1
Historical development of the share of privately and publicly owned flats in the Slovak Republic

Source: Statistical Office of Slovak Republic, own analysis.
As we can see in Graph 2, the overall share of flats owned by municipalities has been constant since 2004 and during the last years has slowly decreased, which takes into account the age of these dwellings and the financial demands regarding its maintenance and reconstruction. On Graph 3 it can even be seen that in the 18 years from 1991 to 2008, the share of municipal housing stock dropped by 24 p.p. and is no longer developing. This situation will have fatal consequences for future social equity if not resolved. The situation can become even more critical if we take into consideration the situation of the socially excluded Roma minority. As stated by Kusá, approximately 402,840 Roma are nowadays living in Slovakia; of those 95,971 live on the outskirts of the cities and 68,540 live in segregated communities. Moreover, approximately 15,000 families live in illegal shacks built from garbage. These shacks lack at least one of the basic facilities, for example electricity, water supply or sanitation (Kusá 2011). This situation will probably not change in the near future and with the current amount of financial resources for new social housing construction, which is sufficient for the construction of approximately 300 dwellings a year, without any demographic change, it would take another 50 years for municipalities and the State to cover the entire demand.

Graph 2
Historical development of flat share by type of owner

Source: Statistical Office of Slovak Republic, own analysis.
The main problem with providing social housing in Slovakia is that the State does not have sufficient financial resources for the adequate support of new construction, not even for the necessary technical reconstruction of already constructed dwellings. As we can see from Graph 4, the State support for construction is permanently declining. Housing experts are estimating that in 2025 the shortage of housing will amount to 382,000–486,000 flats. The State housing construction support is important mainly for providing financial resources for municipal social housing construction. State funding is meant to support the new private housing construction, but from the point of view of local government, it is also very much needed for public social housing, taking into account the above mentioned facts. The overall amount of approved funding for housing support for the year 2014 was approved in the overall amount of approximately 276 million Euros, as stated in Table 2. The highest amount is allocated to the State Housing Development Fund, which supports new construction as well as reconstruction and is repayable. The smallest amount is allocated to housing development subsidies and substitutive rental housing.
Table 2
Amount of approved funding for housing support in 2014

<table>
<thead>
<tr>
<th>Amount of approved funding for housing support</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing development subsidies</td>
<td>20,000,000</td>
</tr>
<tr>
<td>State Housing Development Fund (transfers from state budget)</td>
<td>54,904,000</td>
</tr>
<tr>
<td>State Housing Development Fund (own resources)</td>
<td>108,196,000</td>
</tr>
<tr>
<td>State bonus to building saving</td>
<td>39,000,000</td>
</tr>
<tr>
<td>State contribution to mortgage loan</td>
<td>35,000,000</td>
</tr>
<tr>
<td>Substitutive rental housing</td>
<td>19,050,000</td>
</tr>
<tr>
<td><strong>Total in EUR</strong></td>
<td><strong>276,152,014</strong></td>
</tr>
</tbody>
</table>

Source: Ministry of Transport, Construction and Regional Development, own analysis.

Graph 4
Share of spending on housing from the State budget to total GDP


**Discussion points and conclusion**

From the earlier stated facts it can be concluded that social housing in Slovakia is not very well developed as the current housing system offers only a few alternatives to market-driven private housing ownership. The long-term trend of house ownership which has been almost exclusively private, instead of partially public, which began after the 1989 transition, has a number of undesirable consequences for the housing situation of Slovak households, especially due to the lack of sufficient social housing stock. Even although there are attempts from the State to improve legislation with respect to social housing provision and to allocate social benefits aimed at housing, it was the State who gave up the public flats and either privatised them or relocated them into municipal ownership and administration. Since the municipalities lacked sufficient experience and the financial resources for the management of these dwellings, the situation in public social and rental housing has been progressively worsening. The actual capacities are far from being sufficient; the system of social housing distribution is non-transparent and moreover, the social flats built and managed by the municipalities are often situated on the outskirts of the living areas and thus contribute to the segregation and concentration of poverty. It will be important for the future development and sustainability of the housing policy in Slovakia to find alternative methods of new construction financing and to create a motivating environment for the private sector that could potentially substitute the lack of public social and rental housing. Social housing can be provided by the state by aiming the subsidies at the most crucial housing problems and by allocating higher amounts of financial resources on social housing reconstruction and construction. It is also the role of the State to motivate the private sector into investing in social housing. The role of municipalities is important from the point of view of social housing stock management and construction.

We surely cannot dispute the fact that the government, either at the national or local level, is reacting to the needs of the housing sector. The governance is fulfilling its goals by creating housing policies, concepts of state housing policy as well as housing development plans being developed by public administration institutions. However, the problem is the introduction of these policies into practice, which causes further problems with complex solutions. That is why good governance can be represented by bad practice.

**References**


Part II
Local Governance in V4
What is more Important: Democracy or Efficiency?  
Case Study of Municipalities in the Czech Republic

Lenka Matějová

Abstract

The term “good governance” is discussed at international, national and sub-national levels of the different public administration systems. In practice, debate often focuses on strengthening the elements of democracy and the possibilities of greater citizens’ participation on decision-making in local governance and also on the performance of local governments in the provision of local public services. This chapter hopes to contribute to this debate. The aim is to discuss the particular aspects of good governance, such as the principles of democracy and efficiency and their role in policy making at the level of small municipalities in the Czech Republic. The question of what is more important, democracy or effectiveness, has no firm answer, but as results show, politicians do not have to decide about what is more important in the Czech Republic.

Keywords: good governance, local democracy, efficiency, economies of scale, Czech Republic

Introduction

Since 1989, reforms of public administration in the sense of ideology of New Public Management in countries of Central and Eastern Europe have taken place. As a model, the countries in Western Europe were used. However, the reforms were not very successful. One of the arguments was that reforms had an anti-democratic spirit, where richer, better informed and more assertive individuals received public services of a better quality (Olsen 1998) and better coordination amongst units (local governments) and was difficult as a result of extensive decentralisation (Boyne 1996). As a reaction to neoliberal New Public Management (Hajnal 2014), after the

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economic crisis which began in 2009, the so-called Neo-Weberian model was discussed, which takes us back to the core of classic Weberian bureaucracy. However, at this time, some authors are speaking about a synthesis of Neo-Weberian bureaucracy and good governance concept (Kovač 2014).

Good governance was introduced into public administrations literature some time ago. Due to the fact that the research area of public administration combines many disciplines, the concept of good governance was spread over a wide spectrum of disciplines, from jurisprudence to politics to economics (Bátorová and Radzik-Maruszak 2014). There is still a lack of a precise definition, but basically, good governance constitutes cooperation between politicians, civil servants and citizens and, as a process, it is used to fulfil public affairs and to manage public resources democratically, effectively and efficiently. This concept is discussed at international, national and sub-national levels of different public administration systems. The principles of good governance at the level of municipalities are presented in The Strategy for Innovation and Good Governance at Local Level (2008), approved by the Council of Europe Committee of Ministers. The principles of good democratic governance at the local level can be divided into democratic and economic principles. There are: good conduct of elections, representation and participation; responsiveness; efficiency and effectiveness; openness and transparency; rule of law; ethical conduct; competence and capacity; innovation and openness to change; sustainability and long-term orientation; sound financial management; human rights, cultural diversity and social cohesion, and accountability.

In practice, debate often focuses on strengthening the elements of democracy and the possibility of greater citizens’ participation on decision-making in local governance and also on the performance of local governments in the provision of local public services and the related “optimal” size of the municipality. In scientific literature the relationship between these factors is frequently discussed. The present works deal with this problem, both in general and in theory (e.g. Newton 1982; Keating 1995; Swianiewicz 2002, 2010; Boyne 1995, 2003; Mouritzen 1989, 2010) or they focus on specific public services provided by municipalities (schools, local libraries, waste management, and police) and look for the optimal size of the municipality fitting the above conditions through various econometric methods (e.g. Picazo et al. 2009; Byrnes et al. 2010; Blank and Valdmanis 2010; De Witte and Geys 2009; Walter and Culmann 2008; Montén and Thater 2010).

In the Czech Republic there are 6,250 municipalities and the majority of these are villages with less than 1,000 inhabitants. Czech small municipalities face many challenges and one of them is the efficient provision of local goods and services. There is a general agreement that very small municipalities might not provide them efficiently, but there are fulfilled democratic principles. On the other hand, according to Swianiewicz (2010) it quickly became apparent that high territorial fragmen-
tation in the Czech Republic is one of the major barriers to the decentralisation and effective functioning of the local government system.

Finally, in this discussion, in accordance with the theory of economies of scale, which is also applied in the public sector, the optimal size of a municipality is sought. However, again, the optimal size may not satisfy the fulfilment of democratic principles. The challenge for policy makers is primarily to look for a balance between principles of subsidiarity and democracy and efficiency in the provision of public services at the local level. The most important question becomes; “What should the size of a municipality be in order for citizens to have easy access to any co-decisions and, at the same time, have quality public services provided at the lowest possible cost”?

The aim of this chapter is to discuss particular aspects of good governance, such as the principle of democracy and efficiency and their role in policy making at the level of small municipalities in the Czech Republic. The research question is: “Can there be effective provision of public goods and services in Czech municipalities so as not to limit democratic principles, such as local autonomy, participation in and effective control of political decisions, accessibility of local administration, and human relationship etc.”? Some authors consider that this has already become a classic problem in public economics. Since the appearance of Tiebout’s (1956), or Oates’ (1972) classic studies, a growing amount of literature on public economics and public administration focused on this problem (Balaguer-Coll et al. 2010).

**Methodology and results**

This chapter is focused primarily on theoretical arguments and the way in which the conclusions are reached. The core of the research is based on a literature review of foreign and domestic sources. The total number of municipalities has already stabilised at around 6,250 in the Czech Republic. According to the data from the Czech Statistical Office (2013), the majority of municipalities are villages with a very small population: 77.6% consisted of municipalities with less than 1,000 inhabitants and almost 24% of municipalities have fewer than 200 inhabitants. The fragmented settlement structure in the Czech Republic is accompanied by a fragmented structure of local authorities. Even very small villages have their own elected mayor and councillors. Every such village must provide at least basic public services such as public administration, public lighting, waste management, primary school and community development. These obligations are related to problems that small communities face, such as a lack of own finance, limited tax base, lack of technical infrastructure or difficult access to basic services. Many European countries (e.g. Austria, Sweden, Denmark, Germany) implemented municipal merger policies during the last fifty years and one of the objectives is to compensate for the economic disadvantages linked to the small size of many of the municipalities concerned (Hermenier 2008).
However, in Central and Eastern European countries, after 1990, renewed decentralisation and a paradigm of local autonomy were often understood in such a way that gave the right to become a separate local government to almost every settlement unit, even if that unit was a tiny village. The democratic transition that began in the 1990s led the country to a splintering of municipal grouping and to the re-establishment of historical municipalities, seen as both vectors of local democracy and the territorial entities best suited to manage community services (Hermenier 2008). The number of municipalities rose by almost 50%, from 4,120 to 6,250. Attempts to create or maintain larger territorial jurisdictions (as in the previous decade) were seen as a violation of local autonomy. Even today, opponents of municipal mergers argue the suffering of local autonomy and local democracy which exists in the larger units.

The term local democracy means that in the municipality the system is composed of many individuals and their different opinions, mutual competition, control and balances of system elements. In a small town, local policy is mainly at the level of personal relationships (Illner 2006). Implemented public policies mainly correspond to the individual preferences of citizens. There are better human relationships and higher total non-electoral participation of inhabitants on policy decisions. Contacts between councillors and citizens are much closer in small municipalities; the flow of information is easier and politicians are more accountable to their local communities. However, studies by Hajnal (2001) and Borecky and Prudky (2001) from Hungary and the Czech Republic show that this rule does not apply to tiny municipalities with fewer than 1,000 citizens. The final argument is that small local governments are less bureaucratic (Swianiewicz 2002). However, research in the Czech Republic shows that citizens decide on active participation in municipal affairs on the basis of the area’s attractions. Inhabitants are also mildly dissatisfied with elected representatives. Finally, the average electoral participation did not even reach 50% in the last local assemblies in 2010. It was around 61% in small villages. The trust of citizens in local governments is still limited, but much higher than in national structures. Moreover, this trust is increasing; in 1998 it was 50%, and in 2012 it was 59% (Institute of Sociology of the Academy of Sciences of the Czech Republic 2013).

The most important arguments for larger municipalities are linked to economic theories. Swianiewicz (2002) found that small local governments’ budgets are mainly exhausted by administrative spending – in some extreme cases – and not much is left for any other purposes. In small municipalities, the number of services provided is much lower than in the larger cities and the unit costs of public services are higher. The paradox is that, for example, in 2009, total revenues per capita in small municipalities amounted to almost 79% of the average of all municipalities. Surprisingly, municipalities with less than 200 inhabitants almost approached the average (97%), although the smallest local governments do not provide – in comparison with larger communities – many public services, such as public transport,
What is more Important: Democracy or Efficiency? Case Study of Municipalities in the Czech Republic

The most frequently discussed economic problem, which is associated with the creation of larger municipalities (increasing number of inhabitants), is the existence of economies of scale. Moreover, most research agrees that a larger size increases the capacity of local administrations to promote economic development.

Many analyses were carried out in the USA and Western Europe, but only a few studies exist in the CEE region and in the Czech Republic. As these studies concluded (Vitek et al. 2004; Matějová et al. 2014, 2014a) there is an unequivocal conclusion that the claim is true: a larger municipality means greater economies of scale in the Czech Republic. This is true only for certain public services which are provided by municipalities, namely primary schools, maintenance of municipalities’ property and the administrative costs of local taxation. These expenditures are actually mandatory expenditures at the level of local government and the above results are thus understandable from this perspective.

Discussion and conclusion

The question, what is more important, whether it is democracy or effectiveness has no definite answer. It is clear that between both there is a trade-off and what will prevail is that it mainly depends on political decisions. However, politicians consider their decisions very carefully because their main objectives are their re-election. This applies to both national and local levels of government.

As the partial results show for the Czech Republic, when considering democracy and efficiency in local government in terms of the economies of scale theory, politicians do not have to decide about what is more important. Because only a few activities which municipalities in the Czech Republic perform within autonomy and delegated powers, show economies of scale with an increasing size of municipality by population. It follows that the search for increasing efficiency of the economies of scale theory by means of merging municipalities can be described as a good approach in the Czech Republic, but politicians can also look at other ways, such as PPP projects, outsourcing and social entrepreneurship or non-profit managers. These are new creators of public values, are an alternative for government and fulfil one of the ideas of good governance – cooperation with inhabitants and private entities. They create governance networks which have several centre points and operate at the horizontal level.

From this perspective there are no real threatened democratic principles at the municipal level in the Czech Republic. Local democracy and efficiency can be developed separately and also together. Citizens can be at the centre of public activity and they are involved in clearly defined ways in public life at local level, whilst public goods and services can be provided efficiently. As the saying goes, “small is beautiful”.

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Fragmented Settlement Structure as a Barrier in Providing Good Local Governance Services: The Case of Slovakia

Richard Brix 1

Abstract

Slovakia belongs to some of the most fragmented countries with regard to its number of small municipalities. Apart from all the others barriers to providing good governance, this situation is unsustainable under current conditions. Either the merging of municipalities, or strengthening in the field of inter-municipal cooperation, is greatly needed. There were some attempts to improve today’s situation, but however, the political will was missing. There are some potential ways to improve the quality of good governance at the local level, since the smallest municipalities are no longer viable.

Keywords: inter-municipal cooperation, merging, fragmentation, settlement structure

Introduction: The concept of a fragmented settlement structure

I have been dealing specifically with fragmented settlement structures within local governance and municipal public administration as a field of science in my short academic career. To be precise, this is part of my doctoral thesis. The last NISPAcee conference was devoted to local governance. A fragmented settlement structure is an example of what good governance should not look like. This is the reason why I decided to emphasise this issue.

The problem of the fragmented settlement structure has become serious, mainly over the last 20 years. The issue is typical for countries such as Slovakia,

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Czech Republic, Ukraine and some others within Europe. Many authors have already devoted their academic career to this topic. One of the most important is a Polish Professor – Pawel Swianiewicz. He has written some significant publications on this topic. Since this chapter is about Slovak reality, several Slovak authors have already mentioned this problem. Daniel Klimovský or Dušan Tichý are well-known within this field of public administration. Since Slovak municipalities did not fulfil the features of self-government units until the end of the 80s, the problem occurred after the change of regime made its full effect felt.

There are just a few countries with such a fragmented settlement structure as Slovakia. France is probably the most well-known fragmented country, as it has more than 36,000 communes (municipalities). The topic has been chosen on the basis of some crucial features: (1) the settlement structure, in this case, strongly influences the exercise of good governance; (2) the fragmented structure may not be seen as a barrier if inter-municipal cooperation sufficiently substitutes the disadvantages of small municipalities (the case of France). The purpose of this chapter is to emphasise the importance of either the settlement structure reform or enlargement of inter-municipal cooperation in order to provide good governance, even in the smallest municipalities in Slovakia. There were some attempts to merge municipalities into larger units but all of them failed. The reasons why it was decided not to proceed with municipalities merging were the following: (1) mayors and inhabitants claimed that municipalities merging would increase conflict between inhabitants; (2) support for local democracy would be decreased and (3) relationships between municipal council members and inhabitants would be more complicated.

In this chapter there are documents which are crucial in order to explain the seriousness of the topic. In a survey carried out by Slovak radio, some important facts were revealed. The survey focused on municipalities merging as probably the most effective way to achieve a smaller number of municipalities. This, of course was not the most important objection. It was assumed that the fewer municipalities we have, the more quality there would be in good governance. The survey showed these basic facts (Nižňanský et al. 2009):

- More than 68% of inhabitants were against merging.
- The recommended size of a municipality was 2,800–3,800 (according to inhabitants).
- In general, it can be said that the majority of the survey participants agreed with the fact that a municipality should have more than 1,000 inhabitants
- The costs of running a municipality should have been decreased.
- There would have been more money for services.

In this survey, we can see that the wish of inhabitants to become a member of new larger municipalities is low. So far, there has been no wish for reform among political parties. This is the only result that can be concluded in comparison with other European countries. There are more than 2,900 municipalities, of which al-
most 70% are inhabited by less than 1,000 people. In these municipalities, however, only 16% of the total population live there. A large number of small municipalities greatly complicate the process of public administration empowering. The restructuring settlement structure occurred in several Western European countries in recent decades. Basically, if we consider the “ideal” self-governing unit, we consider a municipality with a population of three to five thousand.

It is obvious, whilst looking at the development over the last 60 years, that the consolidation reforms’ tendency towards a settlement structure has been present in European countries. Since 1950, the number of municipalities decreased in Lithuania by 90%, Sweden 87%, Denmark 80%, Belgium 78%, UK 77%, Germany 51%, The Netherlands 44%, Austria 42%, Norway 41%, Finland 17%, Spain 12%, Switzerland 7%, France 5%, and Latvia 4%. For instance, Sweden is one of the most consolidated countries in the world (Klimovský 2012). On the other hand, there are countries where, during the last 60 years, the number of municipalities increased. However, while in Italy, this increase was only 4%, in the Czech Republic an increase of 51% was recorded (Klimovský 2009). Territorial fragmentation became a barrier in the decentralisation process in many countries. “With a different degree of intensity, such voices could be heard in Albania, Macedonia, Moldova, Hungary, Slovakia, Czech republic, Latvia, Estonia, Ukraine, Armenia, Azerbaijan, Georgia and perhaps some other countries too,” (Swianiewicz 2010). Many of these countries became problematic with this issue after the democratic revolution. Tendencies to create larger units, by any manner, are considered as a violation of local government independence because of previous experience. This resulted in the creation of many small-scale authorities (Klimovský 2013).

The problem of such a fragmented settlement structure lies in the lack of the provision of some services by the smallest municipalities. A municipality inhabited by 11 people (there is such a municipality called “Príkra”) cannot provide all the basic services to its people. Another fact that makes the topic even hotter is that the majority of the smallest municipalities are disappearing. The number of inhabitants decreases regularly since these municipalities are situated mainly in the less developed areas of Slovakia. Young people often move either to the industrial areas of Slovakia or abroad. There is an ageing population. There was a proposal to create more than 300 municipalities (micro regions) in 2004. The centre of each micro region was chosen on the basis of the importance of the city (or village). Many attributes were taken into account. The city had to be a medical centre, job centre, school centre etc. Since no steps to reduce the number of municipalities have been taken, there is another potential solution.
Results on exploring inter-municipal cooperation in Slovakia

Since municipalities merging do not have sufficient support among politicians, mayors and inhabitants, there is inter-municipal cooperation as an alternative way of producing better good governance. This cooperation is mainly realised through Joint Municipal Offices (JMO). According to Ištok and Lovacká (2005) establishing JMOs is probably the best solution within the realisation of communal reform. Municipalities also cooperate with their own associations. The Association of Towns and Communities of Slovakia (ZMOS) is the largest organisation, encompassing an overwhelming majority of Slovak municipalities. The process of creating JMOs is based on voluntary cooperation. Cities and municipalities can leave office at any time. The contract, which the office is based on, can be concluded for a limited time. Establishing JMOs reflects certain principles of self-government.

Forms and principles included in the Act on Municipalities are the following:

- Municipalities may cooperate under contract. This must be done in order to carry out a specific task or activity under the contract on the establishment of municipal associations, by establishing a legal entity under a separate act;
- Property that municipalities acquire under contract to effect a specific task or activity, or the activity of a legal person established under a special Act, becomes co-owned by all the municipalities that are parties to the contract;
- A share in the property acquired by the joint operation corresponds to the amount of deposited funds, unless the municipalities agree otherwise;
- Cooperation of municipalities is governed by the rule of law, mutual benefit and meets the needs of residents of municipalities. Municipalities have equal status whilst cooperating.

Establishing a Joint Municipal Office is one form of municipal cooperation. If two or more municipalities wish to establish such an office, the contract defining the nature of this organisation must meet several requirements. The contract must include the determination of the seat of the Joint Municipal Office, what the number of employees will be, the method for financing its costs and its organisation and specifying the mayor as a statutory body in matters of property relating to this Joint Municipal Office and in employment matters concerning the employees of the office.

The main factors which should be considered are: the economic advantage, administrative understanding and other criteria to determine the model of financial participation by the individual municipalities. Moreover, it is necessary to take into account the number and frequency of tasks to be carried out in the municipality and in its territory, its administrative, technical and material intensity and qualification requirements for workers. The creation of joint municipal authorities
hinges on the transfer of powers from central government to local government, and
straight to municipalities. This shift is followed by many difficulties. It concerns the
professional qualifications and difficulties with performance of the competencies.
JMOs are eligible to make decisions, whether the competencies are to be exercised
by them (the municipalities included in particular JMO) or through a private com-
pany (Slávik et al. 2005).

Among the competencies that are the most common in the general work of
JMOs are: construction management, education, roads, conservation, water man-
agement, care services, urban planning, expropriation procedure, regional develop-
ment, health service, and tourism. However, JMOs have been established mostly
for carrying out construction management. The problem of highly a fragmented
settlement structure can be solved by the simplest of measures – by establishing
JMOs – but this cannot be labelled as a “trouble-free” process. Several risk factors
may occur. In particular, the financial barrier of cooperation, dominance of one of
the parties, excessive expectations and others can negatively affect this type of solu-
tion. Since JMOs were established, insufficient funding and transfer of professional
staff remain the greatest hurdles.

One of the problems associated with voluntary cooperation is the issue of
transparency, which is more difficult in associations than in individual municipali-
ties in general. Therefore, there should be clear rules about informing the public.
The access to information, concerning financing structures and other activities of
associations, should be easier. Creating sufficient financial resources for munici-
pal cooperation from the state, combined with the improvement of the financial
situation of the municipalities themselves is needed. It should help to minimise
the risk factors. Financial support should be a significant motivation to enter into
inter-municipal cooperation. In terms of cooperation between funding sources, we
define two basic categories:

- Cooperation financed from own resources of municipalities (without the sup-
  port of others);
- Cooperation with external financial support (usually the state, but also other
  participating entities).

Particular state support may lead to the success of inter-municipal coopera-
tion. Support for projects of public interest is useful to deal with co-financing from
the state and associated communities. It is a very efficient use of resources, espe-
cially if the participation of private partners is less likely. This applies in particu-
lar activities which are less economically attractive (or in regions that are not eco-
nomically attractive). There are other financial-economic instruments of a tax and
subsidy nature, which would include certain motivational elements leading small
and underpowered municipalities to efficiently associating on a voluntary basis.
For example, a system of subsidies from the state budget should be set in order to
inspire cooperation by providing more funds to municipalities who do cooperate. Alternatively, responsibility for additional services and financial resources of the subsidy system should be allocated to those municipalities that meet the minimum threshold through voluntary mergers (Tichý 2005).

Discussion and conclusion

Since effectiveness and efficiency are two of the principles of good governance, automatically the relevance of the chosen topic becomes highly relevant. Amongst many others, barriers in providing good governance are still actual and unfortunately unsolved.

The topic of “unpleasant” settlement fragmentation and inter-municipal cooperation has not so far dominated public administration education. We are expecting this topic to become more and more actual, since reforms at local level have not been implemented in practice.

One of the most important challenges is finding a pattern of how to make inter-municipal cooperation more attractive and more advantageous in order to provide services of a larger scope and better quality.

An intention to reduce the number of municipalities by the merging process seems, at the moment, to be unreal. Cooperation amongst municipalities and the establishment of Joint Municipal Offices particularly relate to those competencies that are transferred from the state. In other words, municipalities often cooperate in a minimalistic way and many other potential competencies remain untapped.

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Participatory Policies of Local Authorities: The Example of the Municipality of Lublin City (Poland)

Monika Cieciora

Abstract

The chapter begins with the idea of good governance as a new model of management and organisation in public administration and moreover, it is one of the significant aspects of the application in local government. The analysis is dedicated to the Municipality of Lublin City and its method of participatory policy making. The analysis consists of three elements: cooperation between the Lublin self-authorities and local non-governmental organisations, social consultation and the development of a civic budget. The research leads up to the conclusion: does Lublin realise its idea of good governance by participatory politics?

Key words: Municipality of Lublin City, participatory budget, NGOs, public consultation

Introduction

I have been preparing my PhD on the topic of the participation of residents in Lublin in decision-making in their municipality. The concept of good governance, the main topic of the NISPAcee 2014 Conference, is a new model of management and organisation of public administration, as well as the primary model for my research. This idea is also gaining more and more importance for local government, its authorities and its inhabitants. One of the most important elements of the idea of good governance is an active and conscious local community. The obligation to create the right tools and conditions for social participation belongs to the local authorities. Proper participatory policy making contributes to and determines the development of civil society.

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The purpose of this chapter is to conduct an analysis of participatory politics led by the local authorities of the Municipality of Lublin City – the City Council and the Mayor of Lublin City. Lublin is located in the Eastern part of the Polish capital of Lubelskie Voivodeship. The period covered concerns two terms: 2006–2010 and the current term, since the local government elections in 2010. The chapter addresses the most important organisational and legal changes, which have contributed to an improved and more efficient cooperation between the authorities and the community, the model contained in the civil sector activities, and to build the opening model for local civil society, based on mutual understanding and trust of authorities and residents.

Methodology and preliminary results

The methods used in this chapter are an analysis of the sources (local law and organisation and competence of councillors and the Mayor of Lublin and Lublin City Office), as well as interviews with councillors and employees of City Office. The chapter presents three of the most developing elements of social participation in Lublin. The first is cooperation between the authorities and local non-governmental organisations. The second part of the present policy of Lublin is participatory consultations Acts directed at residents. The third element will be creation process and organisation of participatory budgeting in Lublin.

The cooperation between the local authorities and NGOs: The most important part of legislation at the local level, which specifies the cooperation between the two sectors, is a local programme of cooperation (Kluczyńska et al. 2009). The main objective of the programme is for Lublin to create an efficient system of cooperation between the municipality and NGOs working for the benefit of the citizens of Lublin in the field of public tasks. In the subsequent parts of the article I have presented the most characteristic forms of cooperation in the Lublin municipality. The subject of cooperation and participatory policy includes the promotion and protection of health, public order and safety, tourism, sightseeing, sports and recreation for children and youth, science, education, ecology, natural heritage and the protection of animals, welfare, promotion employment and participation of the unemployed, promoting European integration.

The organisational structure of the Lublin City Office for Cooperation with NGOs: In 2006–2011, in the City of Lublin, the duties of ongoing contacts with the third sector belong to a special agent. His or her election was not consulted with representatives of local non-governmental organisations. Moreover, this cooperation was limited to only a few departments of the City Office (Choroś 2009). Lublin authorities have reorganised the system of cooperation with the third sector as a result of consultations with representatives of NGOs. In the structures of the City Council, in February 2012, a special unit has been formed called “cooperation with
NGOs and social participation office”, whose workers fulfil a coordinating role of intermediary in cooperation with the local third sector. In addition, four departments of the City Office: Department of Health and Social Affairs, Sports and Tourism Department, Culture Department, Family Welfare Centre set up special units for cooperation with non-governmental organisations or special workers who have contact with NGOs. (Kuć-Czajkowska and Efner 2013). Furthermore, members of the City Council increasingly cooperate with Lublin NGOs. The method of communication is electronic mail and personal meetings at which representatives of the non-profit sector indicate any financial problems, or physical, legal, organisational activities related to their office in the city. The councillors then present these issues at meetings of the City Council and try to eliminate them, and help the organisations’ active action (Stepaniuk 2014).

**Mutual information on planned lines of action**: An information policy is one of the most developed forms of non-financial cooperation with third sector actors. It consists of a number of elements and forms, with the emphasis on contact by means of electronic communication. The main channel of communication and information for NGOs is the website of the City with a special web address ([http://www.ngo.lublin.eu](http://www.ngo.lublin.eu)) added in May 2011. Moreover, the e-communication was broadened by a mailing list. The final element of the activity of Lublin in electronic communication is a profile on Facebook. The page was set up in May 2011 and it refers to members of the Lublin non-governmental organisations and residents, who are interested in the subject of the third sector and cooperation. It is followed by more than 900 people (Choroś 2012b).

**NGOs Congress Lublin City**: NGOs Congress Lublin City is a ground-breaking event summit and forum leading to an intense and enhanced cooperation between local authorities in Lublin and local third sector actors in Lublin. Congress is a recurring event (held every two years), whose goal is to integrate representatives of the third sector in Lublin. The team working on the organisation of the Congress shall be appointed by the Mayor of Lublin Krzysztof Zuk and consist of representatives of Lublin organisations and representatives of the City Office. The first Congress was held on 18 February 2012, and the second was held on 10 May 2014. One of the elections is dedicated to the Council of Public Benefit, City of Lublin. The Public Benefit Works Council, City of Lublin, is the result of many months of consultation with NGOs. The Council is an advisory and consultative body in matters concerning the activities of non-governmental organisations in the city. The Council consists of two representatives of the City Council, 6 representatives of the Mayor of Lublin, and 10 representatives of non-governmental organisations. The Council is obliged to express an opinion on local law.

**Social consultation**: Consultations in Lublin are subject projects such as strategic documents, and resolutions having a significant impact on the life of the inhabit-
Reflections on Good Governance in Visegrad and beyond

Public consultations are also subjected to changes of schedules and lines of urban public transport, rules of use of urban squares and parks as well as the reconstruction of the streets. Previews of the consultation are published on the website of the City. Comments received during the consultation are analysed by the staff of the Office and go on to the city authorities. Most of the public consultation is addressed to non-governmental organisations, such as consultations local cooperation programmes and the organisation of the participatory budget in Lublin.

**Participatory budget (PB):** The idea of the participatory budget in Lublin came from the initiative of representatives of local NGOs and employees of the City Office. The final PB model is the result of consultation with the residents of the city. The schedule creation of the PB is as follows. In February 2014, employers of the Lublin City office organised meetings with residents and presented the preliminary idea of a PB. The residents could comment on some of the variants of the PB. In May, the locals and the local media, on the website of the City, promoted the ideas of PB promotion. In order to facilitate writing applications, employees of the City Office prepared a price list for the city, for example, the cost of building a path and the cost of repairing a pavement. In June, the reporting of projects was carried out by the people on specially prepared forms. In September, the inhabitants will be able to vote (traditionally and also online) for the best projects, which contribute to improving the quality of life in their community. The proposals submitted, selected by the residents, will be held in 2015.

**Discussion points and conclusion**

During 2006–2013 the organisational structures and forms, channels and cooperation of the Mayor of Lublin, Lublin City Office, and the Lublin City Council with NGOs and residents were changed for the better. The reorganisation has helped to improve communications and the policy of cooperation with local society. Improving the standards of cooperation and conditions for operation for the civil sector could be seen after the elections in 2010, when Krzysztof Zuk was elected Mayor.

The Municipality of Lublin is seeking to build its own model of cooperation between local government and civil society, based on mutual trust and understanding. This model was built through mutual listening and a joint initiative of representatives from both sectors. An updated, new form of initiatives for cooperation from the city administration often transpires after social consultation with residents and representatives of NGOs.

Two terms have changed the attitude of the authorities in relation to the activities of residents and local non-governmental organisations. Their project enjoys the openness and advancement of any initiative on the part of the Mayor and the coun-
cillors. In addition, the coordinating role in Lublin participatory politics is linked to cooperation with NGOs and the social participation city office.

What is more, participatory politics are based on the groups’ advisors and employees coming from the local third sector and local experts. It is important that the people advising the mayor know the problems of the residents and non-governmental organisations. Thanks to this information, mistakes can be corrected and tools improved. The implementation of specific mechanisms to strengthen civil dialogue in Lublin is also leading to change in the image of the city – a friendly local government unit for civil movement and units practically applying the concept of good governance. It is important that participatory policy instruments improve and new tools continue to increase the activation of local communities.

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Local Political Leadership in Poland:
Good Practices

Agnieszka Grzegorczyk

Abstract

In this chapter, the author would like to include information regarding the quality implementation of the political leadership at the local level in Poland. The analysis will give examples of three mayors who exercise authority in accordance with modern management methods. The typology of leadership that is carried out will be based on the characteristics taken from the theory of Max Weber. The analysis was carried out using an example of three cities: Gdynia, Wroclaw and Lublin and will demonstrate best practices in the field of urban management at the local level.

Keywords: local leadership in Poland, new public administration, good management, social media

Introduction

I have been preparing my PhD on the subject of the political leadership of Prime Ministers in Poland after 1989. Apart from the behaviour of political leaders at the central level, I have carried out research in the areas of leadership, implemented at the local level. Therefore, the proper functioning of public administration, as well as new methods of management presented at the NISPAcee Conference, 2014, are, for me, added value, due to the fact that they indicate the proper functioning of government bodies at various levels. In addition to this, the newly presented theory of Max Weber closely fits into the way of defining the political leadership in Poland at various levels. Interestingly, the type of charismatic political leadership included in Max Weber’s theory is not always justified in the decisions concerning elections by city dwellers in Poland.

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The content presented in this chapter relates primarily to the analysis of the quality of political leadership in Poland at the local level. Three Polish cities – Wrocław, Gdynia and Lublin – which are located in different parts of the country and stand at different levels of economic and social development, were taken into consideration. The common point for all of them is the political leadership, evident in each of them and implemented by individual mayors. The described research period refers to the time after the last local elections took place in 2010. The paper is mainly addressed to those people working in the public sector, as well as all those involved in the SIA study of political leadership, the creation of the image of politicians, especially analysing the social role of mayors.

**Methodology and preliminary results**

The research methods applied below – analysis of the content of documents (monographs, articles relating to local government as well as political leadership, interviews with mayors, together with their websites) – apart from that of the comparative approach, will enable a holistic approach to the subject of political leadership implemented at the level of local government, taking into account the individual cities.

The chapter contains the three most important issues associated with political leadership. The first part concerns the theoretical foundations of leadership and the role of the leader in the local community in each of the cities. Another part relates to the characteristics of managed cities and the level of their investment. Here I will also include good practices in the management of the city, as well as the local community itself. The third part refers to the level of social and political participation of residents of Wrocław, Gdynia and Lublin. The solutions to the active participation of citizens in the decision-making process, i.e. the civic budget, will be presented.

**Political leadership – theoretical**: the definition of political leadership describes it as the art of acquiring followers and minimising the impact of opponents, under the existence of an external enemy (Antoszewski 1998). Due to the fact that, at present, in the public space it is also defined as the process for achieving valuable indicators of the righteous, a full care and respect approach has been shown to all those involved (Bojar 2010). This is particularly important for leaders of local government units, whose aim primarily is raising the living standards of citizens. With respect to leadership, we can also mention the specific behaviour that the leader manifests. This is defined as leadership functions. Among the most important are: defining tasks, planning, coaching, monitoring, evaluating, motivating, organising, and becoming a role model. Leadership is based on the strong position of the person who is leading, who has to simultaneously fulfil many roles. The definition of a leader is a person who inspires, persuades, motivates and influences others and also paves the way for change.
Max Weber’s theories of power in the context of political leadership: exercising authority at a certain level is related to the necessity to obtain legitimacy from the public. The support expressed by citizens is directly related to the way the leader reigns. According to Max Weber, the requisites are: charismatic domination in relation to other leaders, a legal base concerning the relevant legislation and acting within the limits of the law and traditionally-related electoral traditions prevailing in the community. Weber’s models are considered to be ideal, therefore making analysing individual cases difficult in order to identify one correct model of governance (Bendix 1995). The legitimacy of the government and its model determines a specific type of political leadership. For this reason the theories of Max Weber can also be considered as timeless in debates about the nature of political leadership. Using the knowledge gained from the 22nd NISPAcee Annual Conference Government vs. Governance in Central and Eastern Euro-Weberianism? I would like to draw attention to the type of local leadership celebrated in Poland.

The role of the Presidents of the towns in the local environment: Each of the Presidents has the same job – the efficient management of a city. Each of them is at a different stage of realising his/her power, depending on the region of which they are in charge. Both Gdynia and Gdańsk are considered richer than the city of Lublin, having Western urbanisation and economic traditions. Lublin is considered a poorer region, dominated by solutions taken from the Eastern states. In each of these cities the President is a “statesman” and a man of the region. Each of them is seen differently, but in a good way.

Wrocław – situated in Central Europe on the Silesian Lowlands on the river Oder, is the largest city in Western Poland. Wrocław has a well-developed network of communications and transport and also has a Polish Research Centre, which promotes international cooperation. The city is managed by its President, Rafał Dutkiewicz. He is the first President of Wrocław to have been elected in direct elections in 2002. In subsequent elections, he received 86% of the vote. In 2010, he was elected for a third term. Constantly highlighted and rewarded in the rankings, his attributes include the efficient management of the city, a multitude of investment, but above all, the ability to work with all the representatives on the political scene. In Poland, regarded as a model for Local Government, strong social support is an endorsement of the investments made in infrastructure, education and culture (Wrocław – European Capital of Culture 2016). He won the title of best gift of life to a city in Poland. Regarding his position he says: “I’m on duty, hired by the residents. My primary job is to think about what to do in a radius of several kilometres from the place where we talk. In Wrocław we launched a process of civilisation, but we are still in the early stages. Labour enough for the next few decades” (Ilićów 2012).

Gdynia – is a city in the Pomeranian Voivodeship of Poland and an important seaport in the Gdańsk Bay on the South coast of the Baltic Sea. The President of
Gdynia, since 1998, has been Wojciech Szczurek. In the local elections in 2010, he obtained more than 87% of the votes in the first round, which – as in previous ballots – was the best result in the country compared to all the other mayors. He has remained in office despite the changes in the electoral law. His strong support for housing is primarily due to the very rapid pace of the development of the city, a higher standard of living and lower unemployment. By 2013 this was very highly valued by citizens and analysts. In 2014, Wojciech Szczurek made an unfortunate decision to rebuild the airport in Gdynia, against the wishes of other managers in the province. The consequence of this was the decision of the European Commission to demand reimbursement of the costs of the investment, which ultimately led to the bankruptcy of the airport. However, despite the failed decision-making, Wojciech Szczurek still retains the electorate’s approval. His type of leadership can be described as traditional and legal.

Lublin – called the city of inspiration. It is the largest Polish city East of the Vistula River. Krzysztof Żuk was elected Mayor of Lublin in December 2010. In the second round of the presidential elections, which took place on 5th December 2010, he obtained 54.65% of the votes. He is valued for his composure, calm and cool approach to politics. He tries to follow the Rafał Dutkiewicz model and already, during one term in government, he has built up a political base of experts. His political leadership can be defined as legal. In the case of governments, Krzysztof Zuk’s charisma does not play a significant role. By 2014, he obtained a high score in the ranking of the best mayors. His successes include the construction of the airport in Swidnik, development of an infrastructure and many cultural initiatives. He actively supported the residents in the fight for the title of European Capital of Culture 2016 (eventually the title was won by Wrocław) and constantly tries to obtain funds from the EU.

Social and political participation: The number of residents participating in local elections is evidence of the active social participation, together with their participation in local events requiring a co-decision. They also expressed their support for cities with a strong and decisive leadership. Its high level can be observed in large Polish cities, especially in the West and North. Therefore, amongst others, President Dutkiewicz and President Szczurek will win elections in the years to come. Polish East has yet to find a strong leader who receives electoral support for successive terms. Perhaps the right candidate is Krzysztof Zuk. Social participation is at its best when proper communication is carried out with the public. Documents proving sound initiatives show that the city managed to enjoy higher economic development. Therefore, the idea for the active promotion of the participatory budget is present in many Polish cities. At the moment they are a flagship for the development of civil society in Poland.
Discussion points and conclusion

Understanding the essence of leadership requires understanding how it differs from management. This also applies to the separation of the role and function of the leaders and “ordinary” managers. The easiest way to see that management consists of inviting people to do the right thing is to have a leader who makes people want to do the right thing. Leadership is therefore a higher form of management. The process of leadership is naturally connected to the management process. For the success of the organisation, both of these functions should be balanced. In practice, this means a balance between management defining the objectives and communicating the vision, between developing a strategy and being inspired to achieve common values, and between the building of organisational structures and a pleasant working environment. Therefore, one should not separate the art of leadership from that of management skills. Local leaders, who often have highly developed leadership qualities or leadership potential, should not be deterred from increasing management competence.

Each of the Presidents described above exercises his functions differently. The differences in the implementation of tasks are due to different leadership skills and personal predispositions. Another important aspect is the region in which they exercise their power and its economic conditions. For this reason, amongst others, the distribution of investments in individual cities is very different. An important factor in demonstrating the quality of leadership is also the process used for communication between the leader and society. This is confirmed by the re-election of Rafał Dutkiewicz and Wojciech Szcurek.

Undoubtedly, people have changed their perception about local leaders in Poland because of changes in legislation. The direct election of mayors and presidents of cities could have transpired to be either real support for, or, on the other hand, opposition to the government. For example, we can see that in the cities of Wrocław, Lublin and Gdynia, Poland has recognised the need to allow for greater public participation in the field of urban policy decisions (public consultation). A perfect example of this is the project budgets implemented in all three cities.

When analysing the work of the individual Presidents it should be noted that Rafael Dutkiewicz, Wojciech Szcurek and Krzysztof Zuk have implemented one of the models of power indicated by Max Weber. In their leadership we can see charisma (Dutkiewicz), a tradition in the exercise of power (Szcurek) and the legitimacy of power emanating to citizens (Żuk).

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Reflections on Good Governance in Visegrad and beyond


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Part III

Public Administration Education in V4 and beyond
How could we Improve the Education of Public Administration?

Eszter Monda

Abstract

In the modernisation of public administration there are many challenges in Hungary. I highlight two important key issues. The first is the more frequent use of participatory methods of information and communication technology (ICT). The second one is to change the elements of earlier patterns of thinking. To solve these issues, education can be a solution which can ensure and strengthen a creative, innovative, proactive and open-minded attitude of future generations and it is able to renew the mind-set of the present generation. During my work I concentrate on the education of the Hungarian government using eLearning methodology in the 2.2.19 AROP project. The title of this project is “Development of electronic training and distant learning”. I think it is important to know which skills and abilities good civil servants and leaders should have and how these skills and abilities can support the notion of good governance in Visegrad countries. I present some results of the project and the relevant tasks, dilemmas of public administration.

Keywords: education of civil servants, modernisation of education in public administration

Introduction

My specific field of research is information and communication technologies and mainly of eLearning. I participated in the 2.2.19 AROP project with the title “Development of electronic training and distance learning”. It concentrates on the education of the Hungarian government using eLearning methodology (Monda 2014). The eLearning is an innovative solution to transfer knowledge (Siritongthaworn et al. 2006). This innovative solution is influenced by many factors such as envi-
The conference was important for me to get to know more about the theories, challenges and main key issues of public administration. I think it is difficult to understand public administration because it is a mixture of diverse sciences such as political, economic, management and law. There are many perspectives and viewpoints. During the conference I realised that there are many challenges of public administration. There is a major question of how could good government or governance be created. I highlight two important key issues to achieve better government. One issue is the more frequent use of participatory methods by information and communication technology (in the followings ICT). The other is to change the elements of earlier patterns of thinking. To support the realisation of these two issues, education is a solution which can support creative, innovative, proactive and open-minded development of future generations and it is able to renew the mindset of the present generation.

**Methodology and preliminary results**

This chapter contains a descriptive analysis of the education of Hungarian public administration and its importance in the renewal and improvement of good governance. When I participated in the main conference themes in connection with the Max Weberian system and good governance, I realised that public administration can be renewed simply through the mind-set of the employees. The usability of the Weberian System, New Public Management and Good Governance depends on many factors. These factors are culture, history, values and the behaviour of people, organisations etc.

The Hungarian government also has bureaucratic elements and the reason for this lies in its history. Gyorgy Gajduschekrs presentation (in the panel: Max Weber and Public policy Today) was very interesting with the title “Weber’s Theory of Bureaucracy and the ‘Good Old’ New Public Management”. He highlighted Weber’s message: bureaucracy is not the most efficient form; it is a form of system rationalisation. Rationality is hard to translate because it means mainly efficiency. New Public Management says that bureaucracy is not efficient and we therefore have to search for a new way. Bureaucracy means a strict hierarchy and a rule-oriented organisation, etc. (Gajduschek 2014). Albrow said that Weber’s thought has another meaning: predictability and an uncertainty reduction (Albrow 1970). The main argument for bureaucracy is the latter and is more than efficiency. Bureaucracy is superior in the reduction of uncertainty. The reduction of uncertainty means that we will have the same output with the same input. Uncertainty reduction is crucial for...
How could we Improve the Education of Public Administration?

Public administration (for the rule of law). Rationality is an uncertainty reduction and not efficiency. Use bureaucracy when you need predictability of procedures and outputs! You may not want to use bureaucracy if the efficiency is crucial, when the unity of procedures and outputs are crucial. The argument is the following: one size does not fit all. In some countries bureaucracy is good, but in new fields it is not useful (Gajduschek 2003).

In the conference more discussions were held in connection with the difference of good governance vs. government. Governance and government are interchangeable in the sense of the process of governing or safety and we can say these terms are close to each other, but also differ. Government often refers to the governing body itself. Governance often refers to the act of governing. So members of a government are engaged in governance. But governance is often a better word for the administration of non-governmental organisations (corporations, for example), while government works better in reference to the public administration of nations, states, and municipalities, etc. (Carino 2000). I believe that the Hungarian government began to take some initiatives to involve citizens in civil society. However, more participatory methods should be used in Hungarian decision-making. The ICT gives several possibilities to use these methods easily, quickly and economically. Gretha Burchard gave a very useful presentation which was about “Max Weber and Representative Bureaucracy – Antitheses or Reconcilable Models?” Bureaucracy is the child of democratisation and the rationality of society. In her presentation she said that Weber recognised some problems such as hierarchy, impersonality and the conflict between democracy and bureaucracy. According to Carl Friedrich’s opinion, bureaucracy can be used in different policies in different ways but it depends on many factors such as cultural, geographical etc. Weber is sceptical about representative democracy. A more equitable government would be better, according to society’s contribution (Burchard 2014).

To use the participatory method and to change earlier patterns and the system, the mind-set of employees has to change. I think that the first step to influence the way of thinking is education. Mark Gal presented “The Afterlife of Weber’s Bureaucratic Model”. Weber’s bureaucratic theory has both benefits and downfalls. A high level of control is both good and bad at the same time. We cannot use one universal model, because it depends on more factors, such as culture, history and values. We have to create a model which is context-based (Gal 2014). I totally understand with this statement that we have no chance to create one universal model. But, at the same time, we have to analyse which elements can be useful for our government and we have to be able to change the current way and choose a new way. According to earlier literature, public administration’s search for a new way is not clear on which direction would be the most appropriate. Education can help to find out how we could renew public administration. So, the main question is, “how could we improve the education of public administration”? To answer this, a complex analysis has to be carried out. I will not give a reply to this question. First we have to analyse
the education of public administration and check the possibilities. I will show some results in connection with the Hungarian situation regarding the possibilities and limitations. I have no chance to map out the entire topic but I can begin by doing this analysis, which hopefully can be a base for further research.

I work as a research assistant in the ÁROP 2.2.19 project entitled “Development of electronic training and distance learning”. This project is supported by the European Union. Its planned cost is 560 Million HUF (which equals 1.8 Million Euros). It began in June of 2013 and it will end at the end of July 2014. The responsible organisation for the project is the eLearning Methodological Centre of the National University of Public Service. This Centre was established because of this project. It has special experts from different fields, who can together, create high quality eLearning material and measure the success of each factor. The reason for emerging this project was a new law – number 199. According to this law, employees in public administration have to participate in obligatory education every year. This education assents to their better work and thereby to high quality government. It means around 10,000 participants taking part in courses. This is so large a number that it cannot be solved through traditional education. The administrators work in different places and the organisation of courses is more complicated due to geographical fragmentation. The solution might be the introduction of eLearning, which means lot of money at the beginning of the investment but later it can save money and time. The goal of this project is to develop 35 eLearning materials. The other goal is to enrol 10,000 participants in these courses.

During our project we analyse the motivation, attitudes and needs of employees in public administration and the acceptance and usability of new eLearning methods and factors of effective learning. We had one Panel (entitled: The Next Innovation Frontier in Public Service Education) at the NISPAcee Conference concerned the critical success factors of stakeholder groups. The stakeholder groups are the followings: leaders, technological and methodological experts and curriculum writers. We have some results from semi-structured interviews with 22 people from different levels of the organisations. We realised that civil servants do not have long-term vision in their organisation. This is due to several reasons. One is the low level of salary and the other is the uncertainty which refers to the notion of the institution that everyone is replaceable. One of the key issues is to find a way to motivate employees of public administration.

The other key issue is to strengthen and motivate the participation of civil society in decision preparation and in public affairs. In Hungary there were more initiatives to involve society. The main tasks of a government are to administer public tasks and execute laws. “E-government refers to the use of information and communication technologies (ICT) by governments to provide digital services to citizens and businesses over the Internet, at local, national or international level” (Siskos et al. 2014, 1). EGovernment (digital government) supports the administra-
tion provided for citizens, and according to the concepts we can identify four stages of e-Government sophistication: (1) cataloguing, (2) transaction, (3) vertical integration, and (4) horizontal integration (Layne and Lee 2001, see Figure 1).

**Figure 1**
Dimensions and stages of e-government development

![Diagram showing stages of e-government development](image)


It is particularly important to highlight the concept of citizen sourcing, which is a special form of social media application in the field of e-Governance, parts of which were described in our previous chapter. As is shown in chapter 9 “… new ICTs are characterised by their bi- and multi-directional digital connections, which enable citizens to engage in collective decision-making and collaborate on a task via online networks. Some government agencies now base policymaking and service production on input from the public. This phenomenon, as a new trend, is
called citizen sourcing, where sourcing refers to how government departments and agencies obtain the services they need to solve their mission delivery requirements and how those decisions are reached (Breul 2010, S193)” (Breul 2010, Lukensmeyer and Torres 2008, Nam 2012, 1, Torres 2007). Citizen sourcing and e-democracy applications are illustrative examples of participation and are becoming more and more popular research topics (Hilgers and Ihl 2010, Dutton 2011). Citizens have the potential to be experts in specific matters, so initiating their involvement allows information sharing, information (documents, data), contribution of ideas (with opinions, strategic concepts), and co-creation (reaction to action, interaction, finding shared goals).

As an illustration of crowd sourcing solutions, I would refer to the American “We the people” initiative which is a portal where citizens submit petitions with the headline: “Giving all Americans a way to engage their government on the issues that matter to them.” (https://petitions.whitehouse.gov/). Similar attempts of governments are all based on the effort to involve citizens in public administration. “Public administration, as the apparatus through which decisions are executed, has long been considered a constituent part of government activity” (Cierco 2013). As in the American example, these initiatives are bottom-up participation and show emergent patterns. For instance, in Hungary, there is a similar pattern with Petício and its Facebook page. If we check the publicly available statistics, it can be seen that the number of likes was 86 at the beginning and has gradually decreased. The most popular age group on the site is that between 55–64 years, which is rather an old group of Facebook users. At the time of preparing our manuscript, www.peticio.hu has 600 likes, which is a rather low representation of the Facebook community.

The Hungarian government has launched a top-down participation portal2 about e-democracy, which contains more user discussion rooms and forums. Citizens who have user logins to the forums may request information about formal cases. Similarly, the European Parliament has a website3 where petitions can be submitted to the European Union. This is different from the previously mentioned Hungarian example, because responses to the inquiries come directly from European Union organisations. There are other illustrations of crowd sourcing citizen cooperation in larger programmes e.g. GOV4 or ÁROP5.

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2 https://edemokracia.magyarorszag.hu/edemokracia
3 http://www.europarl.europa.eu/aboutparliament/hu/00533cec74/Petitions.html
4 http://www.gop.gov
5 http://magyaryprogram.kormany.hu/arop-projektek
According to the e-Government action plan, the Hungarian government plans to offer all of its citizen services online from the year 2018. Hungarian public administration is developing, but unfortunately it is far removed from the example of Estonia, where almost everything also works very well online. They are excellent in the development of e-government. Another problem is that Hungary should pay attention to ensuring the appropriate international environment for other nations by translating important homepages and documents. For example, there is a Homepage for the admission process to university and college (http://www.felvi.hu) which is not translated. If a foreigner wished to gain admittance to a college, then he would have to ask someone to translate the homepage of www.felvi.hu.

**Discussion points and conclusion**

I think that it is very important that creative, modernised and high-quality, specialised education should be ensured at the level of high education and employees.

I would be interested in a panel of future conferences which focus on human resources and education possibilities in public administration. I would like to know which skills and abilities good civil servants and leaders should have and how these skills and abilities can support the notion of good governance in Visegrad countries.

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As I mentioned at the beginning, there is a huge question about how good government or governance could be created. I have highlighted two important key issues to achieve better government. To support these two issues – use of participatory methods and changing the elements of earlier patterns of thinking – eLearning can give a supporting power. ELearning helps in the development using modern technologies and participating education independently from time and space. The education of governance has to move towards the direction of eLearning.

References


How could we Improve the Education of Public Administration?


Do the Educational Programmes in Public Administration at Czech Universities Reflect the Requirements of the Shift from NPM Principles to a Good Governance Model in Public Administration?

Michal Plaček

Abstract

The chapter relates to previous empirical studies dealing with structure and content of university fields of study designed for the education of future employees in the public sector. Based on an analysis of university study programmes and disciplines in the field of public administration accredited in the Czech Republic in 2014, from the point of view of focus of programme providers and their content, it tries to answer the question whether changes in the concept of university educational programmes reflect changes in the paradigm of public administration, i.e. transition from the New Public Management doctrine to Neo-Weberian bureaucracy and Good Governance. Based on the research, it is possible to state that between 2003 and 2014 there was no change in the business understanding of education in Czech university programmes; the dominant providers of this education are still the faculties of economy. The field of public administration is still perceived as a multidisciplinary field and the content of courses is determined from the offer side. An explanation of these causes can be found in the conclusions of neo-institutional sociology and school of public choice.

Keywords: good governance, public administration, higher education

Introduction

Reforms of public administration in countries of Central and Eastern Europe took place in different trajectories (Bouckaert et al. 2008), in contrast to developed West-
ern countries where it is possible to identify two main lines. The first line is best described by the term “marketisation” (Pollitt and Bouckaert 2004), i.e. massive privatisation of contracting use, the creation of a market environment when providing public services. These reforms took place in England, the USA and New Zealand. Continental Europe (Germany, France) took the route to progressive modernisation (Drechsler 2009). For the Czech Republic, the incremental model of reforms is characteristic, i.e. progressive reforms followed by changes in legislation. The main motive for reforms at the beginning of the 90s was the effort to democratise society and cope with the communist heritage. Another wave of reforms took place in the name of preparing to enter the EU and after that the pace of reforms decreased significantly. The current reform effort in the Czech Republic is determined by the necessity for fiscal consolidation of public budgets. It is necessary to say that during the course of more than 20 years while the reform effort has been going on, there has been a significant change of paradigm in perceiving the sense and existence of the public sector.

In the period between 1980 and 2005 the dominant direction of reforms was in the sense of ideology of New Public Management. The reforms of New Public Management have their ideological base in the theories of school of public choice and the Chicago school (Van der Walle and Hammersmidt 2011). New Public Management is not a strictly defined ideology; it is more of a hybrid character (Christensen and Laegreid 2002). It is possible to understand it as an umbrella name for changes in the public sector which began in the 80s and are still going on. These changes are best characterised by the terms managerialism (Pollitt 2001), market-based public administration, post-bureaucratic organisation (Barzelay 1992), entrepreneurial government (Hughes 1998), i.e. treating a citizen as a customer. In scientific literature there is still a discussion going on regarding what the base of New Public Management is (Van der Walle and Hammersmidt 2011). According to Lane, it is a model that is based primarily on contracting (Lane 2008). König sees New Public Management as a mix of managerial theories, business psychology and neoliberal economy (König 1997). Barzelay perceives it as 4 models: the contracting model, managerial model, customer model and model of reforms (Barzelay 2002). The implementation of ideas of New Public Management can be divided into two phases (Van der Walle and Hammersmidt 2011):

- 1st phase – Managerial innovations – In this phase we see New Public Management as an approach which tries to implement managerial methods from the private sector into the public sector. The main parts of this effort are the pressure on reaching effectiveness in the public sector, public sector size reduction and decentralisation, and the reaching of excellence and orientation on public service (Kettl 2000). The key characteristics of this period are the implementation of business management methods, definition of efficiency standards, output check, decentralisation, tendering in the provision of public services, the effort to allocate sources effectively (Hood 1991) and the separation of political
decision-making from the performance of public administration (McLaughlin et al. 2002).

- **2nd phase – Ideas of function of government and state – New Public Management** presents ideas of government work based on the philosophy of deregulation, privatisation, marketisation and small states (Lane 2000). In this context, New Public Management is accused of preferring personal interests to the interests of society (Van der Walle and Hammersmid 2011).

Critics often emphasise the anti-democratic spirit of reforms, where richer, better informed and more assertive individuals receive public services of a better quality (Olsen 1998), transaction costs are very often criticised (Van der Walle and Hammersmid 2011), as well as a lack of experience, too radical solutions (Pollitt and Bouckaert 2004), emphasis on reaching short-term goals instead of focusing on long-term concepts (Schick 1996), and difficult coordination as a result of extensive decentralisation (Boyne 1996), corruption, or rent seeking. For example (Drechsler 2009) is very sceptical about the evaluation of New Public Management as he gives the following phases in the evaluation of perspective of New Public Management:

- There was trust in the concept of NPM around 1995; however, the concept meets critics for the first time.
- Around 2000, NPM goes into defence and the conclusions of many empiric analyses speak against it.
- Around 2005, NPM is no longer considered to be a viable concept” (Drechsler 2009, 10).

Drechsler supports his claims with an analysis of articles in world magazines that deal with Public Administration, where he states that in the last 5 years there was not a single article published in a top magazine which would defend the validity of New Public Management. Changes that took place in society as a result of the economic crisis which began in 2007 led to a discussion of an inclination to the so-called Neo-Weberian model of bureaucracy as a reaction to neoliberal New Public Management (Hajnal 2014, Randma-Liiv 2008). The Neo-Weberian model comes back to the fundamentals of classic Weberian bureaucracy and demands a strong State; however, with an emphasis on innovation and reaching effectiveness (Stumpf 2014). Some authors speak about a synthesis of the Neo-Weberian bureaucracy and Good Governance concept where the state is more a mediator between individual groups of stakeholders and enables them to participate in the work and decision-making of administration. One of the significant linking elements between Neo-Weberian bureaucracy and good governance is the demand for the functionality of the rule of law (Kovač 2014b).

The following table summarises the differences and similarities between New Public Management, Neo-Weberian bureaucracy and Good Governance.
Table 1
NPM vs. NWS vs. Good governance

<table>
<thead>
<tr>
<th>NPM</th>
<th>NWS</th>
<th>Good governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small state</td>
<td>Calls for a stronger state</td>
<td>Small state that creates conditions</td>
</tr>
<tr>
<td>Citizen is taken as a customer</td>
<td>Supposes participation of citizens</td>
<td>Supposes active participation of citizens</td>
</tr>
<tr>
<td>Based on marketisation</td>
<td>Based on effective bureaucracy</td>
<td>Based on rule of law, discussion and negotiation</td>
</tr>
<tr>
<td>Demands on highest effectiveness</td>
<td>Demands on highest effectiveness possible</td>
<td>Demands on highest effectiveness possible</td>
</tr>
<tr>
<td>Demands on highest effectiveness</td>
<td>Demands on highest effectiveness possible</td>
<td>Demands on highest effectiveness possible</td>
</tr>
<tr>
<td>Sacrificing of principles of</td>
<td>Reduction of inequality</td>
<td>Same approach to publicly produced goods and services</td>
</tr>
<tr>
<td>equality in the name of</td>
<td></td>
<td></td>
</tr>
<tr>
<td>effectiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Erosion of requirements on</td>
<td>Processes based on norms, fight against</td>
<td>Emphasis on responsibility</td>
</tr>
<tr>
<td>responsibility of elected</td>
<td>corruption, legally consistent state</td>
<td>delegation, formal as well as informal</td>
</tr>
<tr>
<td>representatives and politicians</td>
<td></td>
<td>relationships between citizens and government are</td>
</tr>
<tr>
<td>Decentralisation</td>
<td>Return to centralisation, vertical processes</td>
<td>Decentralisation, horizontal processes</td>
</tr>
<tr>
<td></td>
<td>where effective</td>
<td></td>
</tr>
</tbody>
</table>


These changes in paradigm also caused a change in the requirements of the method of education and design of educational programmes which train future civil servants. The requirements of basic competences of future officials in the public sector, which they should reach after graduating from Bachelor or Masters programme are dealt with, for example, by (Reichard and van der Krogt 2014) who define the following key competences:

1. competence to manage public governance,
2. competences to participate in and contribute to the policy and administrative processes,
3. competences to articulate and apply a public service perspective,
4. competences to communicate and interact productively in the public domain,
5. competences to analyse and solve PA related problems by applying the appropriate scientific methods,
6. competences to understand the public domain.

Several authors (Hajnal 2003, Verheijen and Nemec 2000, Nemec et al. 2012) dealt with the research of contents of educational programmes that focused on the public sector in CEE states. In both cases they are comparative studies where there is a comparison of more countries; both studies also contain data from the Czech
Republic. The aim of this chapter is to check the conclusions valid for the Czech Republic of the aforementioned authors and to answer the question as to whether, due to a change of paradigm in perceiving the public sector, there was also a change in the structure of fields in master and bachelor degrees.

**Methodology and results**

The author follows the study by Hajnal (2003) who analyses fields of study according to course content and subsequently creates clusters of countries according to characteristics of their university education in public administration. Hajnal created 3 main clusters of countries – legal, public and corporate. He puts the Czech Republic into the corporate cluster, as the structure of education of managerial focus prevails.

Within this research, the websites of all Czech public (26), state and private universities are analysed (45), for the purpose of finding the number of programmes in Bachelor and Masters' degrees focusing on public administration in 2014 and for the purpose of finding the key characteristics of those programmes. Subsequently, the study content of each field is checked. For our research, first a sample of curriculum of approx. 10 study fields, which created a wide variability during the classification, was analysed. The basic assumption is then a premise that the fact of whether education is provided by business and administrative school, law school or social science school will also affect the content and structure of courses in a specific field of study. Hajnal verifies his conclusions on the structure of individual fields of education, i.e. the resulting division into a cluster is determined by the highest share of a group of fields with the same characteristics on the total number of fields of study.

Conclusions of a study by (Nemec et al. 2012) were partially used for the analysis. The study tried to answer the following questions on a sample of 36 Czech study programmes: 1) How many genuine bachelor and master programmes are available and what explains the current situation? 2) For all types of accredited public administration programmes what proportion of courses involve PM? What explains this proportion? 3) What are the main teaching approaches to deliver PM courses?

Within the analysis, there were websites of 26 public universities, 46 private universities and 2 state universities examined. Altogether, 31 providers of university education in the field of public administration were identified. 17 providers were private universities, 13 providers were public universities and 1 provider was a state university. The high number of providers suggests that there is quite a high demand for this type of education; this is shown by the fact that public administration employs predominantly workers with a university degree. If we focus on the share of private providers regarding this type of education, the situation in the Czech Republic is very similar in comparison with Poland as both countries are characterised by having a high proportion of private providers. In Poland, the private providers maintain a dominant share within this sector (Nemec et al. 2012). In 2014, there
were 61 fields of study offered in the Czech Republic. Categorisation according to the provider is shown in the following table.

Table 2
Classification of fields of study in public administration

<table>
<thead>
<tr>
<th>Field characteristics</th>
<th>Private</th>
<th>Public</th>
<th>State</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and administration</td>
<td>11</td>
<td>28</td>
<td></td>
<td>39 (64%)</td>
</tr>
<tr>
<td>Law</td>
<td>1</td>
<td>3</td>
<td></td>
<td>5 (8.2%)</td>
</tr>
<tr>
<td>Social science</td>
<td>11</td>
<td>6</td>
<td></td>
<td>17 (27.8%)</td>
</tr>
<tr>
<td>Total</td>
<td>23</td>
<td>37</td>
<td>1</td>
<td>61</td>
</tr>
</tbody>
</table>

Source: own research.

We can see from the table that the fields of business and administration prevail as they comprise 64% of all offered fields of study. They are followed by fields of social science at 27.8%. Law fields of study are only marginal compared with Slovenia (Kovač 2014a) and Poland (Nemec et al. 2012), where this type of programme is prevalent.

It is very interesting to compare the fields of study of private and public universities. For public universities, fields of study from business and administration are dominant, whereas private universities offer the same proportion of fields of study from business and administration and social science. It suggests the ability of private universities to react to demand more flexibly; public universities, on the other hand, are rigid. The offer of state universities is represented only by a police academy which focuses on the education of members of the security forces. A similar characteristic is seen in the system of education for future public servants in the Slovak Republic; this is primarily due to the common history of the two countries.

Discussion points and conclusion

Within this study, the content of all fields of study focusing on public administration in the Czech Republic was analysed. The study comes to the same conclusions as Hajnal (2003). The content of programmes in the field of public administration in universities in the Czech Republic can be characterised as corporate; this system's characteristics is determined by the history of the country. In the years between 2003 and 2014 there was no significant change in the content of educational programmes that would correspond to the change in paradigm, i.e. transition from New Public Management to Neo-Weberian bureaucracy. Apart from a great rigidity in content, other characteristic features of the Czech system of education of future
workers in the public sector include large heterogeneity of fields of study and a stronger inclination towards a multidisciplinary approach than to an interdisciplinary approach. The composition of the fields of study is determined by the offer (Nemec et al. 2012).

According to the different authors (Verheijen and Nemec 2000, Hajnal 2003, 2004, Janei and Karoly 2008, and Nemec et al. 2012) historical reasons, e.g. common experiences with socialism, are the main causes of this situation. The dominance of legal and business administration programmes is caused by the fact that in the context of reforms in the early nineties, post-socialist countries not only had to implement the principles of New Public Management, but also had to fundamentally reinvent the principles of the rule of law. Differences in the structure of programmes amongst individual CEE countries, according to a study by Hajnal (2003), were caused by the form of the transition process. “Countries that already have sovereign statehood, prior to transition, belong to the legal cluster, and countries that gained their independence only in the transition process can all be found in the corporate cluster” (Hajnal 2003).

The next reason lies in the behaviour of educational institutions of the public sector which is described by neo-institutional sociology and public choice schools. Institutions are rigid towards changes, as they try to avoid risk; they focus on the activities that help them maximise their budget. Let us not forget the opportunistic behaviour of academicians which, together with a non-transparent regulatory environment – especially the system of accreditation (Nemec et al. 2012) – create an environment for rent seeking (for details see Tullock 1987, Krueger 1974) and corruption.

Drawbacks can also be found on the side of demand, especially with central organs, as up until now, the law of civil servants has not yet been approved. The law should legislatively form the environment of public administration; moreover, it should also define the requirements from civil servants of central organs. The educational system of civil servants presents one of many elements of formation of inputs into the system of public administration; for the realisation of Good Governance it is necessary to pay attention not only to the educational system, which should be more focused on interdisciplinarity (Reichard and van der Krogt 2014) than the narrow focus, but also on all other elements that create the system. These are, for example, shared values, internal processes, and the provision of continuous education. Only integration of the individual elements can create synergy.

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