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Core papers
Europeanization and Democratization in ECE: Towards Multi-Level and Multi-Actor Governance

Attila Ágh

Introduction: institutional challenges in the EU and beyond

The global crisis has strengthened the pressure for public-administration reforms in the EU, first of all in East-Central Europe (ECE), and beyond. Basically, there have been three challenges in the EU that have to be addressed:

1. At the EU27 level, there is the need to create new transnational regulatory institutions at the top as “metagovernance” and to introduce new common policies that radically transform the horizontal and vertical institutional relationships in order to overcome the institutional crisis in the EU. At the same time, the extension of multi-level governance (MLG) and the multi-actor participative democracy have to be continued, since the new transnational institutions have to be even more balanced with the structures of the mesogovernments (deepening).

2. After the Eastern enlargement, sharp tensions have emerged between the old and new member states in the workings of the EU institutions because the MLG structures – basically the meso-governments in their inter-governmental relationships – are very weak the new member states, especially in the newest members (Bulgaria and Romania). Hence the democratic institution-building has to be completed in the new member states on the meso- and micro-levels as well. Moreover, they have to catch up with the latest developments in the old member states as well as on the EU level (structural adjustment).

3. The extended European governance – in the West Balkan states and the ENP Eastern partners – has reached the stage of the “carrot crisis”, i.e. how to influence these partners in the period of the EU-enlargement fatigue without a proper Road Map to European integration in the West Balkan case or even without a “European perspective” in the Eastern Partnership case. Thus, the institution-building enters the picture very forcefully in this respect, not only in the state-

1 Budapest Corvinus University.
to-state approach but also in the MLG approach, so the relations with the EU have to be institutionalized at various levels (widening).²

The main message of this paper is that in the EU, the deficit is bigger in the effectiveness or performance than the often-mentioned democratic deficit. Therefore, it is more important and urgent in the EU to reform the “performance” than “democracy”, although it may be even more important to emphasize that in the participatory democracy, it is in fact impossible to separate them, since the active democratic “participation” itself is the most important factor of “performance”. It has been the guideline of European governance since the seminal White Paper on Governance (Commission 2001b), which was also already prepared from the MLG side (Commission 2001a), although this dimension came to the fore just in the second half of the 2000s. But as an analytical device, I will try to keep “democracy” (politics) and “performance” (policy) relatively separate in order to point out how to increase the “performance” or effectiveness through the MLG structures, which is high on the agenda everywhere in the EU (see Commission 2009, Ambrosetti 2009 and Bertelsmann 2009).³

This paper addresses first of all the challenges to the new member states against the background of the current institutional reform in the EU (Lisbon Treaty), which has demanded enhanced structural adjustments, such as public-administration reforms in the new member states. In addition, it also deals with extending European governance to two regions, the West Balkan states and the Eastern neighbours, i.e. altogether with the relationships of deepening and widening from the special aspect of public administration reforms. Basically, to a great extent, the West Balkan states and the new neighbours have similar problems as the new members: in both cases, there is an institutional “Bermuda Triangle” at the level of meso-politics, where the top-down efforts of Europeanization and Democratization “disappear”. In short, the next step of democratic institution-building in the East-Central European new member states as well as in both the

² I have analyzed these issues at length in the ECE context, focusing on Hungary (see Ágh 2005, 2006, and the edited volumes 2008a and 2008b). On the other ECE countries see recently Bryson (2008) and Copsey and Haughton (2009). In general, I argue that the basic weaknesses of the institutional structures in the new member states are first of all at the meso-government level (“the missing middle”).

³ There have been serious efforts in the EU to elaborate the criteria of the institutional performance, first of all in the framework of the Lisbon Strategy. For the standardization of the Total Quality Management (TQM) of public-sector organizations, the European Institute of Public Administration (EIPA, Maastricht) has introduced the Common Assessment Framework (CAF). More than one thousand organizations in many European countries have been analyzed in the CAF process. The EIPA regularly organizes courses to introduce the EU analysts to the CAF methods (www.eipa.eu). The latest Bertelsmann Report (2009) contains a comprehensive analysis of the main international rankings of competitiveness based on the detailed institutional criteria as Sustainable Governance Indicators. The Observatory on Europe 2009 operates with a set of Key Performance Indicators (KPIs) and from among the new member states offers a more detailed analysis of the Czech Republic, Hungary, Slovakia and Slovenia.
Balkan and the Eastern new neighbour states is creating or further developing the multi-level and multi-actor democracy that can be an institutional channel for their bottom-up Europeanization and Democratization.

The new member states in East-Central Europe have traditionally been centralized unitary states, albeit with some democratization of macro-politics. As a paradox, even the EU accession and the post-accession period have produced a counter-productive process because it has led to the re-centralization of the state under the EU performance pressure. The preference of the Commission has also been to negotiate with the central governments and not with the plurality of the weak, ignorant and non-representative social and territorial actors. Therefore, in the post-accession structural accommodation process of the new member states, some concentrated efforts have been necessary for the MLG type of public-administration reforms. This is the political precondition to overcoming the post-accession crisis in the new member states, which has recently been aggravated by the global financial crisis. The experiences of these reforms can be transferred to some extent to the West Balkan and the East European regions.4

Multi-actor democracy and capacity-building in meso- and micro-politics are two sides of the same coin, thus Democratization and Europeanization equally demand the development of MLG structures, since the emerging democratic institutions will also have a higher performance with this kind of MLG-type Europeanization. What is needed is effective regionalism and completing the system of organized interests, in which the task of nation states is not simply finding but forming, creating partners, i.e. institution-building at the top as “macro-governance”, and also at the lower levels as “meso-governance” and “micro-governance”. Nowadays the democracy deficit appears in the “missing middle”, in the meso-governments as regional deficit and social-dialogue deficit, i.e. in the growing regional disparities and in the increasing interest representation asymmetries. Similarly, a robust and vibrant but extremely asymmetrical civil society has emerged in ECE at the micro-levels, since the voluntary associations represent mostly the new middle classes, and they are concentrated in the capital.

All in all, the MLG-type public-administration reforms are high on the agenda in ECE and in the neighbouring states on all levels. In the 2000s, NISPAcee has intensively dealt with the capacity of the central governments and with the “politico-administrative relations”, and it has also raised the governance issue on the central and local levels (see e.g. Verheijen 2001; Potucek 2004; Rosenbaum and Nemec 2006 and Connaughton, Sootla and Peters 2008). It is high time to shift the focus of research to the MLG approach, which has also been developed at length in several of the works above.

4 As I have indicated in my former paper (Ágh 2009), there is a “treasury of the ECE reform experiences” that can be applied in the WB and EE states; even its failures and delays are very instructive, not only its successes and achievements.
I. From governance to multi-level governance

General considerations – theoretical background in the EU documents

Governance and communication have been two pillars of the performance-oriented EU democracy that have been elaborated in the two White Papers of the European Commission in 2001 and 2006. “Governing the EU” has been the basic democratization program of the EU for bridging the gap between citizens and institutions. It has to take place at many levels and with many actors as multi-level governance and multi-actor democracy in order to mobilize, connect, and empower the state and non-state, public, and private actors. Hence, the full “social” policy cycle (communication – participation – decision) has to be taken into consideration for the merger of the governance and communication strategies. The White Paper on Governance (2001) already formulated the program of the extension of representative democracy through multi-level governance, i.e., overcoming the problems of democratic deficit caused by missing participation through the mobilization of citizens and their empowerment of an organized or “articulated” society. The basic statement in the 2001 document is the following: “Reforming governance addresses the question how the EU uses powers given by its citizens. It is about how things could and should be done. The goal is to open up policy-making to make it more inclusive and accountable. … The quality, relevance and effectiveness of EU policies depend on ensuring wide participation throughout the policy chain – from conception to implementation.” (2001, 8, 10). This statement admits that the EU was an elite business, but in the nineties, the masses appeared on the scene because they were concerned by the extension of policies, therefore after the Maastricht Treaty, the extension of the representative democracy has also become absolutely necessary. The democratization program along the lines of governance was continued in 2005 by “Plan-D” (Commission 2005).

The starting point of the 2006 document on communication seems to be formulated in the same vein: “A partnership approach is essential. Success will depend on the involvement of all the key players – the other EU institutions and bodies; the national, regional, and local authorities in the Member States; European political parties; civil society” (2006, 2). The 2006 document has also emphasized the involvement of the stakeholder forums, specific interest groups or the decentralized approach in general. Under the title “empowering citizens”, this document has outlined three steps: (1) improving civic education, (2) connecting citizens with each other and (3) connecting citizens and public institutions. It has been done, however, at a very abstract level. Although the document has mentioned the actors – “professional and sectoral organizations” – and the levels – “national, regional and local dimension” –, this has still not exposed the issue of “empowering” the citizens. European citizens come from widely diverse social and cultural backgrounds, therefore “empowering the citizens” means actually “nesting” them, i.e., involving their
interest organizations in the policy-making process. Completing the development, the 2008 *Debate Europe* document has mentioned the participatory democracy – “The Plan D civil society projects showed that participatory democracy can successfully supplement representative democracy” (2008a, 5). Following the logic of these basic documents, the Committee of the Regions has prepared the *White Paper on Multilevel Governance* (CoR 2009).

Basically, the EU itself has emerged as a multi-level polity, as an organization in which the central executives (“metagovernance”) govern by sharing responsibility and authority with other supranational and subnational actors. Fritz Scharpf has clearly pointed out that the main failure of the theoretical literature is in the confrontation of intergovernmental and transnational models, since “the multi-level polity of the European Union is conceptualized in a single-level of intergovernmental interactions”; and these single-level models are “ill suited to deal with multi-level interactions” (Scharpf 2000, 5). Even within the member states, there is a plurality of the lower-level, distinct governing modes, therefore “the coexistence of, and the interaction between, distinct levels of government” presupposes a “fusion” of governing functions as a structure of network governance. Thus, in the analysis of the EU polity, one has to “take account of the multi-level nature of European institutions and governing processes” (Scharpf 2000, 7).

In his Conclusion, the MLG appears as the basic institutional feature of the EU: “The European polity is a complex multi-level institutional configuration which cannot be adequately represented by theoretical models that are generally used in international relations or comparative politics. … these difficulties could be overcome by a modular approach using a plurality of simpler concepts representing different modes of multi-level interaction that are characteristic of subsets of European policy processes.” Thus, “the same conceptual tools should also be useful for the analysis of subnational, national, transnational and other supranational policy-making institutions” (Scharpf 2000, 26). Given the multi-level nature of European institutions and governing processes, according to his conceptual framework, the European governance has been based on the following multi-level interactions:

1. **Mutual adjustment** – national governments continue to adopt their own policies nationally but they do so in response to, or anticipation of, the policy choices of other governments.

2. **Intergovernmental negotiations** – at the lowest level of institutionalization, national policies are coordinated by agreements but national governments remain in full control of the decision-making process.

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5 On the EU communication policy as part of democratization campaign, see Fossum and Schlesinger (2007). The preparations of the White Paper on Multilevel Governance began in the framework of the Committee of Regions (CoR), which organized its “Ateliers” for preparing the *Green Paper*, then the *White Paper*. I have participated in this process and my paper relies on the results of this expert process.
3. **Hierarchical direction** – in this mode, competencies are completely centralized and exercised by supranational actors without the direct participation of member state governments.

4. **Joint decisions** – this combines aspects of intergovernmental negotiations and supranational centralization, such as the openness of the decision-making process to the demands of plural interests, to the networks of interest intermediation.

Since the late nineties, the MLG concept has become the mainstream approach in the European Studies from the international relations to the regional research, as the seminal book written by its prominent authors has demonstrated (see Bache and Flinders 2004). The idea of the MLG type of democratization with public-administration reform has also been developed in several works by B. Guy Peters (see recently, Connaughton, Sootla and Peters 2008, 8–11). It has been extended after the Commission’s *White Paper on Governance* to several policy fields, including employment policy (see Garcia, Cardesa Salzmann and Pradel 2004). Arguing for the utility of the concept of MLG, Ian Bache and Matthew Flinders also present this concept as a theoretical response to the emergence of the multi-level European Union. This process has led to the differentiation (dispersal) of authority, both vertically to the new levels of governance and horizontally to the new, non-state actors with increased interdependence in both. The MLG concept has proven to be useful to capture these complexities and to overcome the rigid distinctions between domestic and international politics in order to analyze the implications of the growing interactions between governments and non-state actors across the various levels (see Bache and Flinders 2004).

In a more recent paper (2008), Ian Bache and Rachel Chapman have further elaborated the MLG concept at the subnational territorial levels. They have pointed out that “The literature on multilevel governance has typically focused on contestation and cooperation between a cross section of political actors organized at various territorial levels. In this context, the role and authority of state has been challenged by the increased engagement of supranational, subnational and nonstate actors. … Its emphasis is on the growing importance of both horizontal and vertical interdependence in the context of European integration that is between actors located at different territorial levels and from public, private and voluntary sectors. A characteristic feature of this kind of policy-making is the prominence of ‘territorially overarching policy networks.’” (2008, 397–398).

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6 I refer in this paper to the widening governance literature without embarking on its detailed analysis, see recently Bache (2004, 2008), Benz and Papadopoulos (2007), Graziano and Vink (2007), Hayward and Menon (2003) and Kohler-Koch and Eising (2007). Karen Smith draws attention to the fact that for the EU, promotion of democracy has always been connected with good governance (2008, 143). The MLG discussions on the effectiveness and accountability have been continued in the volume edited by Benz and Papadopoulos (2007). The chapters of Benz (2007), Peters and Pierre (2007) and Schmitter (2007) in Benz and Papadopoulos have further developed the debate on European governance and democratic deficit.
The extension of democratic institutional structures and practices from governance to multi-level governance has been a big step in the democratization of the EU, but some basic weaknesses of the emerging multi-level and multi-actor democracy have also come to the surface. In general, the recently emerging world order can be characterized by the unprecedented unity and unprecedented fragmentation that has been exacerbated by the global crisis. The EU polity as well as the member states’ polities can also be characterized in the same way. For the parallel processes of fragmentation and integration, James Rosenau coined the term “fragmegration”. The MLG approach can serve as a “prime mechanism” to steer the tension between the – external and internal – fragmentation and integration (Bache and Flinders 2004, 1, 5). If representative democracy is to be extended to the new actors at various levels by turning it into participatory democracy at the macro-, meso- and micro-levels, the three following questions arise: (1) who decides about the entry of new actors into the particular policy-making processes, (2) what kind of regulation is imposed upon the relationships of the actors in that given process and (3) how is the accountability applied to these actors. The MLG principle also has a big deficiency that has originally been called a “Faustian Bargain”, or rather “Faustian Dilemma”. It turns out that the old model – “civil society has to control the state” – has become inefficient and outdated, since the borderline between state and civil society has been blurred with the mass of the new “unregulated” civil actors that have entered the policy-making process. The real question is how to control the new actors, i.e. “how to control the controllers”, which requires a new model of democracy with a change of paradigm. It also applies to the old member states but even more so to the new ones; first of all, however, it applies to the regulation of the new world order, which goes far beyond the topic of this paper.7

The “political control and accountability remain just as critical as ever to democratic government”, given the continued extension of representative democracy to a multi-actor democracy. In brief, the MLG itself does not provide the political accountability dimension for representative democracy and therefore, it may lead to an increasing democratic deficit. Thus, B. Guy Peters and Jon Pierre “highlight the perils and dangers associated with such governance in terms of participation, accountability, transparency, and inclusion” (Peters and Pierre 2004, 76–77). The Faustian Bargain according to them is that by this extension, one can gain efficiency in the policy-making process at the price of losing accountability; therefore, they also separate “performance” and “democracy” as analytical devices to point out the main problem: higher efficiency at the price of compromised “democracy”. One can cope better with diversity and complexity in a widening universe of public policy by the extension of the MLG structures but this new arrangement necessitates a new type of political control and leadership. The answer to this new problem is the democratically constructed and controlled metagovernance as explained below, since

7 On the re-regulation of global governance, see the Presidency Conclusions of the European Council (2008 and 2009a, b).
otherwise more efficiency will cause less accountability and increased democratic
deficit at both ends, at the top and bottom of the EU polity. In short, the next step
democratic institution-building in the new member states as well as in the West
Balkan and the new neighbour states is the creation, or further development, of the
multi-level and multi-actor democracy that can also be an institutional channel for
bottom-up Europeanization and Democratization. At the same time, this democrat-
ization strategy of the new member states runs parallel with that of the EU, given
the striking similarities between them concerning their democratic deficits.\textsuperscript{8}

The extension of representative democracy through the MLG process into
some kind of the troubled participatory democracy has not only created a new
democracy deficit in the EU but also some marked policy asymmetries between
policy fields given the lack of coordination between economic, social and territorial
cohesion. The economic cohesion of the EU has always been at the forefront in the
EU with a constant effort to balance or complete it by social cohesion. Due to the
relative failure of the Lisbon Strategy and its renewal in 2005, the “growth and jobs”
approach has diminished the importance of social cohesion in order to enhance the
economic competitiveness in the global arena. In the first decade, however, territo-
rial cohesion/dimension has been relatively neglected, although the initial set-up
of the Lisbon Strategy has identified the regions (NUTS2) as the basic units of the
competitiveness, and it has exposed the territorial cohesion in the EU as a basic
objective. In fact, territorial cohesion has been pushed back, since the clash between
economic and social cohesion has been a heavy problem/tension in all member
states, while the territorial cohesion has only been a partial problem, mostly limited
to the less developed member states. It has been perceived by the net-payer member
states as an overload and unnecessary burden. They have emphasized all the time
that the territorial assistance has been counterproductive and inefficient, so it has to
be (re-)nationalized. Eastern enlargement has increased this “second” debate, first
after the entry of the East Balkan states. The debate has been reinforced by Spain in
its phasing-out stage by losing interest in cohesion policy, as the UK did earlier in
the nineties. The Lisbon Strategy has to be renewed for the next decade as the EU
2020 Strategy and this policy asymmetry between economic, social and territorial

\textsuperscript{8} The special issue of the \textit{Journal of European Public Policy} in 2008 (15 (6)) seems to suggest that
the conditionality and/or compliance of the new member states is a short-term problem as if it
were basically the decision of the elites how to behave in the EU. I think that the mainstream
EU Studies have gone into a blind alley by insisting on the short-term effects of the failure of
post-accession conditionality instead of looking at the long-term effects. In my view, institution-
building is the basic issue of imposing the conditionality on the new member states for the mid-
term and long term that could solve those problems, which are usually visualized as the items for
the short-term political decisions, since most problems are beyond the decision-making capacity
of the ECE governments in the short run.
cohesion has to be corrected, otherwise the second decade may also be a relative failure of the new Strategy in the enlarged EU27.9

**Overcoming of the new weaknesses by the extended metagovernance**

The MLG approach stresses the distinction between government and governance, but this does not mean at all that the national governments will be fatally weakened, and a “super-government” will not appear on the EU level either. This concept presupposes the continued importance of nation states at various territorial levels and throughout the policy process, i.e. the governments will have more multi-level *deconcentration*, parallel with the widening *decentralization* along the governance line. Basically, there is also “a growing recognition of the role of states in shaping and regulating governance … as metagovernance” (Bache and Flinders 2004, 201). If the MLG is going to overcome the weakness of losing democratic legitimacy, then also some new means have to be found to empower citizens to cope effectively with this shifting location of power. The electoral legitimacy of national governments ensures them a pivotal role in this changing context, but the diffusion of competences and the changing patterns of participation demand some additional mechanisms of accountability beyond those provided by representative institutions. Consequently, “the evolving structures of multi-level governance are likely to necessitate new forms and models of accountability that seek to build new and innovative conduits between the public and the institutions involved in complex networks. In essence, this may involve a fundamental reappraisal of the meaning of democracy and the role of representative institutions within nation states” (Bache and Flinders 2004, 205).

The extension of representative democracy to participatory, multi-actor democracy overstretches the frames of democratic accountability and legitimacy, and it demands a parallel change or extension in the control mechanisms. The basic idea for this mechanism in the form of metagovernance at the top has come from Bob Jessop. He has elaborated the idea of the continuing centrality of the state as metagovernance, with respect to its capacity providing the ground rules for governance and regulatory order through which governance partners can pursue their aims: “For political authorities (on and across all levels) are becoming more involved in all aspects of metagovernance: they get involved in redesigning markets, in constitutional change and the juridical re-regulation of organizational forms and objectives, in the overall process of collibration” (Jessop 2004, 65). Jessop here gives a long list of the metagovernance functions; namely metagovernance provides the ground rules for governance and regulatory order in and through which the governance partners can pursue their aims, and it ensures the compatibility or coher-

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9 See in this respect Council (2007). This document specifies the need for coherence between economic, social and territorial cohesion, and it leaves the elaboration of this strategy for the Hungarian EU presidency March 2011: “(45.) We ask the coming Hungarian EU presidency to evaluate and review the Territorial Agenda in the first half of 2011” (2007, 11).
ence of different governance mechanisms and regimes. This central authority acts as the primary organizer of the dialogue among policy communities and deploys a relative monopoly of organizational intelligence and information by helping in the self-understanding of identities, strategic capacities and the real interests of the individual and collective actors in various social contexts. It serves as some kind of “court of appeal” for disputes arising within and over governance, and it seeks to rebalance power differentials by strengthening weaker organizations to enhance social integration and cohesion. Finally, the metagovernance has the basic function to assume the political responsibility in the event of governance failure. This long list can be further widened and explained from different sides but it already demonstrates clearly that this central authority, the state at the national level, does not lose its importance with the shift from government to governance. Just to the contrary, it gains new importance through these vital functions without which the emergence and extension of the MLG would lead to chaos and to the weakening of the democratic order and legitimacy.

It is not enough, however. By the extension of representative democracy not only national but also the EU transnational democracy has changed its meaning. The workings of the EU necessitate increased metagovernance at the new top or peak institutions in the form of renewal in the Big Power Triangle of the Council, Commission and Parliament. As Jessop explains, “[T]he European Union can be seen as a major and, indeed, increasingly important, supranational instance of multi-level metagovernance in relation to a wide range of complex and interrelated problems.” Metagovernance also has the function of elaborating the long-term Grand Strategy for Europe.

In the Big Power Triangle, “The European Council is the political metagovernance network of prime ministers that decides on the overall political dynamic around economic and social objectives … The European Commission plays a key metagovernance role in organizing parallel power networks, providing expertise and recommendations, developing benchmarks, monitoring progress, promoting mutual learning, and ensuring continuity and coherence across presidencies. This is associated with increasing networking across old and new policy fields at the European level as well as with a widening range of economic, political and social forces that are being drawn into multi-level consultation, policy formulation and policy implementation” (Jessop 2004, 72).

Consequently, the pattern of multi-level metagovernance in the EU is still evolving, and it has the tendency of permanent change and reforms for two reasons. First, there are inherent tendencies of failure in all major forms of governance, like market failures, so the “governance failures” also have to be corrected and balanced. Second, the metagovernance itself may develop its own special “top” failures, hence it needs an internal correction mechanisms for its internal renewal. This is the eminent case with the creative crisis in which the EU has entered a new phase with the
global financial crisis. From the point of view of “multilevel metagovernance”, the MLG concept has to be developed as the main profile of “deepening” that presupposes permanent structural transformations in the relationship of both the vertical institutional layers and the horizontal actors within the EU. Democratically constructed and controlled metagovernance is the solution for the democratic deficit at both ends, at the top and bottom of the institutional structure. It represents the positive sum game or win-win game in democratic politics.\footnote{Adrienne Héritier (2007) has given an in-depth analysis of the institutional reform mechanism in the Big Power Triangle in accordance with their “metagovernance” role, although without a reference to this term. The so-called new modes of governance also indicate that the “metagovernance” has to change from time to time (see Dezsö 2007, Kohler-Koch and Eising 2007 and Hayward and Menon 2003). As Vivien Schmidt (2005) observes, the EU is a “policy without politics”, while in the nation states, there is a “politics without policy”.

10 In the final analysis, the European governance can be described in three partnership triangles in the EU decision-making in general and in the EU policy-making in particular. The first partnership macro-triangle is between (1) the EU transnational institutions, (2) the nation-state institutions and (3) the subnational actors and agencies. In this macro-triangle, the nation state intermediates between the EU and regional levels and transmits the Europeanization effect top-down to the national and subnational actors, and it represents their national-local interests bottom up. The second partnership meso-triangle appears at the member state level between (1) the nation state and (2) the social actors horizontally and (3) the territorial actors vertically. In this meso-triangle, both the social and the territorial policy communities have their action fields. The third partnership micro-triangle(s) are at the subnational level of these social and territorial actors, and they have both horizontal and vertical, or both policy (sectoral) and territorial dimensions. These micro-triangles have a plurality of distinct policy networks or communities, in which the state-administration units or special state agencies are engaged in active cooperation with the local – social, business, civil, territorial – non-state actors. Altogether, the introduction and extension of the MLG structures have caused, indeed, a participatory revolution. Most European citizens are aware of this multi-level approach, and they actively support it.\footnote{As Flash Eurobarometer 234 indicates (2008, 5), about half of the EU citizens are aware that the EU supports their region, seventy per cent of which consider it beneficial. It has been more and more frequently noticed that not only does the entry of the non-state actors change the policymaking process but also that their entry to the policymaking-process changes the internal structure of non-state actors, including the large firms, to become more open to the public demands or taking Corporate Social Responsibility. On the same issue, see also Flash Eurobarometer 252, and the latest EU-27 Watch (2008).}
between the EU, state and regional levels in all three partnership triangles. In general, both the bottom-up and the top-down directions are necessary for the deepening in the EU. The bottom-up approach facilitates the workings of MLG structures based on the subsidiary principle. On the other hand, the top-down approach as the opposite approach strengthens the centralized decision-making at the top. Nowadays, in the special situation of the Lisbon Treaty’s implementation process, it is more important to move more and more towards the “hierarchical direction”, towards the “centralization” of European governance in the new increased metagovernance, i.e. the institutional reform at the top is now high on the agenda. The new common-community policies, such as climate change, energy and innovation – but also many JHA policies, such as immigration –, need more centralized EU institutions as concentrated decision-making processes at the top, in which the MLG structures at the bottom also have their own very important role in both preparing and implementing the centrally made decisions.

As for the second and third partnership triangles, in the developed member states, the multi-level and multi-actor democracies have emerged through an extended system of social dialogue and territorial decentralization (“regionalization”) with some relatively autonomous and powerful social and territorial actors as “veto points” in the decision-making system. This multi-actor democracy is largely missing or hardly developed in the new member states. The social and territorial actors are weak, their competences are limited, and their role in the decision-making system is very restricted. The EU membership has meant tremendous pressure for them in this respect, first of all not in the political dimension, but much more in practical dimensions of the cohesion policy for an urgent capacity-building. There have been some developments in the second partnership triangle; in fact, the constitutional arrangements are there, although the subnational institutions are still weak. Moreover, regarding the third partnership triangles, the horizontal policy networks and/or communities at the regional level are hopelessly missing or weak, so is the system of their vertical network governance that incorporates the subregional territorial and social actors (see Commission 2008b, 12).

This research line of multi-level governance has also been very important for the practical reasons of the absorption of the Structural Funds. It is a salient issue not only in the old member states, but even more so in the new member states. Here the weakly developed sector of the meso-governments and micro-governments, or the low institutionalization of the MLG structure in general, has always been the biggest obstacle to an optimal use of the Funds (see e.g. Dezseri 2007). The main reason is that at the meso-government level – as in a “Bermuda triangle” – the Europeanization efforts starting from both sides, from both the top and the bottom have usually disappeared. As a result of the post-accession crisis and the early challenge of the MLG structures, an institutional jungle has appeared in ECE, since governance has been extended without a proper regulative system. A drastic transformation of representative democracy has begun towards the participatory-inclusive democracy
but it is only in its first, controversial stage. Thus, nobody knows who is who in the policy-making process and what kinds of competences these newly entering actors have in relations to the state or to each other, “controlling the controllers”. The state and civil society have merged to some extent, and the boundaries have been blurred, so civic organizations do not control the state exclusively from outside, since they are also active inside. There will be a long road ahead to build the new regulative structures as metagovernance even in the ECE national frameworks, but this process has sped up under global pressure. Accordingly, the latest MLG literature has been developed in its two basic dimensions, in both governance-performance terms and in democratization perspectives. It has proven that the MLG discourse has been and will still be the main discourse in the renewal of the EU, even in its policies to the neighbours.12

II. External governance in the West Balkans and Eastern neighbour states

The clash between policies and institutions

The extended or external EU governance as a transformative linkage policy in fact has been based on the mechanisms of “regulatory boundary” (policy) and “organizational boundary” (institution). The regulatory boundary covers the specific policy areas, addressed by the agreements, legal obligations and modalities through which compliance is monitored. The organizational boundary means those institutions and/or agencies through which the third country concerned participates in shaping and implementing the decisions. The EU has wanted to elaborate flexible cooperation relationships with these boundaries but, obviously, there has been a huge gap between these two clashing and confronting mechanisms. The EU has tried to expand the regulatory boundary with new issues attached to the policy agenda but it has tried even more to limit the organizational boundary, since it has created only minimal common institutions and has expressed its unilateralism very forcefully by formulating the substance of the agreements. Thus the major weakness of the widening policy has been its low-level MLG type of institutionalization in the spirit of the famous saying by Romano Prodi: “everything but institutions”. What he meant was that the EU can elaborate some regulatory mechanisms for the extended governance formulated in bilateral agreements but the EU will not establish common institutions with the countries concerned in order to avoid and to exclude the sovereignty-sharing procedures (Lavenex, Wichmann and Lehmkuhl 2008, 1, see

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12 On the governance-performance side, see Kritzinger and Pülzl (2009), Mamudu and Studlar (2009), Mörh (2009), Sorensen and Torfing (2008), even in the West Balkan relations in Fagan (2008). On the democratization side, see Ayers (2009), Bache (2008), Bellamy, Castiglione and Shaw (2006) and Philip (2009), but first of all the efforts of Hooghe and Marks (2009) for the politicization and mobilization of the EU population as demos through MLG, and its current debate, Börzel and Risse (2009) and Schmitter (2009).
The EU has aimed at institution-building in the West Balkan countries but not so much at creating “shared institutions” between the EU and the WB countries. In addition, so far the EU has focused only on the first partnership triangle as macro-governance, or on the state-to-state relations. In launching the first reform waves of the public administration, the main aim of the EU has been the nation-building that has still gone uncompleted so far. Therefore, the EU has neglected the second and third partnership triangles within the WB countries. The EU has promoted the sectoral integration in some policy fields and wanted to offer assistance to build up the proper institutions at the macro-level but it has not realized, or it has not arrived at this task, that it can only be promoted and/or implemented properly if the supporting subnational institutions exist in the West Balkan states. The failure of the East Balkan states – Bulgaria and Romania – in building up the basic institutions could have been a warning sign for the EU but this negative experience has not yet been taken into consideration enough so far (see Andreev 2008).

The National Strategy for Development and Integration in the WB has been funded by the IPA (only the first two out of five for the potential candidates)

1. support for transition and institution-building
2. cross-border cooperation
3. regional development leading to cohesion policy
4. human-resources development leading to cohesion policy
5. rural development leading to CAP.

Although the WB integration process and Eastern Partnership differ a lot, the lack or weakness of the shared institution is common in these differing cases. Sandra Lavenex and her co-authors have formulated this basic contradiction very markedly between the ENP model based on the enlargement process with conditionalities and the lack of proper institutions for its implementation.

Simply said, the fundamental difference is that the ENP has not intended to create a “legally homogeneous” space with the neighbouring countries. “In practical terms, however, the EU considers its own ‘standards’ as a model, which third countries might want to follow. The resemblance to the enlargement mechanisms, which finds expression by the reference to the concepts of ‘approximation’ and the commitment to ‘shared values’, is also displayed in the political nature of ‘monitoring of compliance’ under ENP. The characteristic features are unilateral ‘progress’ reports drawn up by the European Commission and the ensuing discussions in the various formats of the AA and PCA Councils. … Put differently, the shift of the organisational boundary is very limited and does not include any participation in decision-shaping. To conclude, neighbourhood relations differ from conventional external relations in that the EU displays a strong interest of exporting its regulatory
Europeanization and Democratization in ECE: Towards Multi-Level and Multi-Actor…

policies to the neighbouring countries while at the same time it lacks its most successful foreign policy instrument: accession conditionality.” (Lavenex, Wichmann and Lehmkuhl 2008, 4).

In this respect, the relationship between the EU and the ENP countries differs basically from that between the EU and the developed European partner countries in matters of institutionalized patterns of interaction on governance. While in the case of Western neighbours, the shift of the regulatory boundary has been accompanied by the opening and widening of the institutional boundary at the same time by granting them membership in EU agencies and programmes, in the ENP case, the tension has grown through the constant widening of the regulatory boundary but without opening the organizational boundary. This tension or asymmetry has become the major obstacle to the further development of the ENP. The above-quoted co-authors argue that “As the experience of the Western neighbours shows, participation in such structures is not only supportive to the third countries’ approximation to the EU policies, it also increases the sense of partnership and co-ownership, thus fostering the legitimacy of such regulatory approximation” (Lavenex, Wichmann and Lehmkuhl 2008, 4).

There is no doubt that this principle of “no common institutions” has to be given up and the EU has to establish common institutions at distinct governing levels with joint decision-making processes in order to make the ENP effective and efficient, since the low level of institutionalization has been the main reason for its improper working and moderate success so far. The EU has to facilitate the bottom-up Europeanization and Democratization of its neighbours by building common institutions in the framework of multi-level and multi-actor democracy. In addition to this regulatory-institutional asymmetry, a large geographically based institutional asymmetry can be noticed in the ENP between the two big regions. Given its historical advantage, the Southern rim has elaborated a rather wide but weak institutional framework, e.g. the regular Euro-Mediterranean Ministerial meetings with its annual work programmes. In Eastern Europe, the institutional framework in general and the bilateral, country specific institutions in particular have been very much lagging behind, actually almost missing.

External governance and types of regionalisms

The ENP as extended EU governance is at the same time multi-tier governance in both ways, horizontally and vertically, and at various levels of institutional and policy cooperation. It can produce various types of regionalisms as regional cooperation above and below the level of nation states. Michael Emerson has elaborated a typology of regionalism that can reveal the opportunities of the ENP: (1) Technical regionalism: to assign specific public policy functions to the territorial level following some objective criteria and aiming at the efficiency on the regional level, where all parties can in principle have the same or similar objectives and which may be
effectively de-politicized. (2) Good neighbourliness regionalism: where neighbouring political jurisdictions organize congenial activities together with a view to building good relations and friendship such as sports and/or cultural events. (3) Security regionalism: facing common threats of a cross-border nature such as illegal migration, the trafficking of drugs and people, terrorism and strategic security generally that can lead to security communities or alliances. (4) Eclectic regionalism: experimenting with many conceivable types of regional cooperation, i.e. collecting a large variety of quite different regionalisms without a clear strategic view or evident criteria for selection. (5) Dysfunctional regionalism: vain attempts to construct regional cooperation, frustrated by serious political divergences or inefficiencies between the participants because of the incompatibility of objectives among the region’s actors. (6) Institutional regionalism: focus on the administrative and organizational structures devised to promote regional cooperation. (7) Transformative regionalism: regional cooperation as a means of working towards the Europeanization of the whole region to converge on the EU’s political values and economic structures, norms and standards as transformative Europeanization. (8) Compensatory regionalism: the EU seeks to compensate outsiders immediately beyond its frontiers for the disadvantages of exclusion or being deeply disappointed by not being granted a membership perspective. (9) Geo-political regionalism: relating to the objectives of the leading powers to secure a sphere of influence as the Kremlin openly states its foreign-policy priority to re-consolidate the CIS area or the US to secure its own geo-political position, especially with respect to Georgia (Emerson 2008, 2–3).

Altogether, the main MLG reform line in the ENP is moving from the “regulatory boundary” to the “organizational boundary” as a shift from the present asymmetry to a more participatory relationship. In Scharpf’s terms, it means moving basically from the “hierarchical direction” to “joint decision making”, or at least from the spontaneous “mutual adjustment” to “intergovernmental negotiations”. In practical terms, this participatory process would represent an approach, in which the situation of the ENP states will get closer to that of the more developed European countries (EEA states and Switzerland), since this relationship with the developed countries is much less “regulatory” and more based on active participation in the common institutions and organizations. The EU politicians and experts have realized that the fundamental nature of the EU polity is its multi-level character. But they have not yet realized that the relationship is the same with the ENP partners, since widening, as an extension of the European governance to the state and non-state actors and to state and sub-state levels, presupposes an MLG structure as well. Therefore the more the MLG type of governance is introduced in the ENP, the better and more efficient these bilateral and multilateral relationships would be. The extended EU governance of unilaterally imposing “regulations” upon the ENP partners has reached its limits; in fact, it has become counter-productive. The improvement of the relationship is possible only through common institution-building, i.e. creating “organizations” to make the EU regulations feasible. Transformative re-
Regionalism in Emerson’s terms with its MLG structure can only be successful if it is at the same time a compensatory regionalism offering substantial advantages for the neighbouring states instead of EU membership.

**Conclusion: the emerging “glocal” governance**

The increasing globalization already in the nineties sped up and strengthened the “regionalization” efforts worldwide to a great extent. Regionalization means here the continent-size transnational formations like the EU, NAFTA and ASEAN. In the present decade, this process has not only continued but strengthened further. It has also shown the signs of the “spill over effect” to other levels as well. The stronger the impact of globalization is on all other territorial levels, the more the transnational regions, countries and subnational regions organize and strengthen also their smaller territorial units. The “glocal” governance is a reaction to the danger coming from the global uncertainties as an arch of the multi-level governance from the global governance to the local governance: the global-local linkage. Thus, the global governance is basically a strengthened local governance and basic democracy under the global pressure at the level of local communities. Glocal governance is both a transition from global to local governance and an arch of institutions between the two ends. It proves that globalization penetrates not only countries and subnational regions but also the much smaller territorial units and communities, and under its pressure, even local governance needs a reconstruction.

Similarly, under the pressure of global crisis, and as a result of the long term preparation process, the EU has taken a further step in transforming its own global environment with the Eastern Partnership (ENP-EP). On 20 March 2009, the European Council decided on the Eastern Partnership, which may be a breakthrough in the treatment of the six Eastern neighbours as well as in the institution-building policy of the EU. In the Declaration attached to the Presidency Conclusions (Council 2009b, 19–21), the European Council has invited the heads of states and governments of the new 27+6 partnership formation to a Summit meeting on 7 May 2009 to Prague. The Declaration reorganizes the main objective of the ENP’s Eastern Dimension to be “to create the necessary conditions for political association and further economic integration between the European Union and Eastern partners” by introducing “the principle of joint ownership” and suggesting a “multilateral framework” for regional cooperation. The most important message is that “The European Union’s Comprehensive Institution-Building Programmes will help the participating countries to improve their administrative capacity.” In this spirit “the multilateral framework … should operate on a basis of joint decisions of EU member states and Eastern partners”. The Prague Summit has adopted a Joint Declaration on the Eastern Partnership. There will be a Summit of Heads of States and Governments once in every two years, and the foreign ministers will meet once every year. After this basic turning point, introducing partnership at the macro-level,
the elaboration of the multi-level and multi-actor democracy can begin in the six
Eastern partner states. When the global crisis ends, the EU can return to the deeper
and more detailed elaboration of the Road Map for the West Balkan integration as
well. Both the ENP-EP and the WB processes in widening have been of great inter-
est to the new member states. The real progress presupposes their continued sup-
port on the one hand and also a learning process of the WB states and the Eastern
neighbouring states on the other.

Nowadays the “imported crisis” still spreads to Eastern Europe (Emerson
2009). The ongoing global crisis has created new “mental barriers” in Europe, and it
has undermined the European identity and European governance to a great extent.
However, the crisis-management actions have also discovered new horizons for
both deepening and widening in the EU. Actually, the big periods of EU develop-
ment have been created by deep transformations as milestones of the world system.
The first period ended in 1973 with the first enlargement that widened the core of
Europe to a continental power through a series of enlargements and the second one
in 1991 (Maastricht Treaty) with the collapse of the bipolar world turning the EU
into a global actor. In 2008, the third period came to an end with the outbreak of
the global crisis, and around 2010/2011, a new, fourth period will begin that will
differ from the present EU beyond recognition. The EU is in a creative crisis, and
some outlines of the “new EU” in a “new Europe” can already be seen based on an
MLG type of structure with extended external governance and deepened internal
governance. In the democratic renewal of the EU – also in its relationship with the
neighbours –, a new European identity and civil society cooperation will emerge
(see Kostakopoulou 2008, Ruzza and Bozzini 2008).

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New Public Management and its Implementation in CEE: What Do we Know and where Do we Go?\textsuperscript{1}

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\textit{Juraj Nemec\textsuperscript{2}}

\textbf{Introduction}

The global (or even systematic?) crisis that visibly started in 2009 in the form of the financial crisis in the USA, creates new challenges for all national and supranational governments. States need to react effectively to existing global and local problems, not only with short-term anti-crisis measures, but especially with long-term strategies, including a further revitalization of their public administration systems.

In mid-2010, it is already detectable (in Greece, but also many countries in our region) that the sustainability of the public finance will be one core target to be achieved. Two options are available – simple cost cutting (as the “bad” choice) or improving efficiency and effectiveness of any governmental actions (we feel that this is the way forward).

Many difficult changes “lie ahead” in the situation when many authors still feel that public administration reforms in the CEE region represent “unfinished or recently started stories” (even though many governments use a different rhetoric!). Unfinished (especially “performance”) changes and the so-called “post-accession crisis” (slowing or even reverting needed changes almost everywhere in new EU member states), combined with new “crisis challenges”, create a really difficult environment and risk for future progress.

However, compared to the phase after 1989, the chance to react properly is much higher. The more developed CEE states are now in a better position. The transformation from “socialism” to “capitalism” was a unique process without any previous experience from change of this kind, and mistakes were unavoidable (just their scale was partly manageable). Now, when we need to react to new challenges,
the local intellectual capacity was (at least partly) created (also on the basis of more than twenty years’ worth of experience with transformation and international experience) and evidence was collected. Progressive governments (do we have those in the CEE region?) now have the chance to respond to new challenges by evidence-based reform policies.

Our paper tries to provide one specific input for future evidence-based public policies in CEE. It discusses the role of New Public Management (NPM) in our region, with the focus on the new CEE EU members and their experience. NPM was, with very limited success, used in many developed countries at the end of last century. It was also part of several reforms, at least in some CEE countries. It may be “misused” for simple cost-cutting, but it may also be well used for better efficiency in the near future of public finance crises. The issue – our core question – is very simple:

How to understand: “Adieu NPM”?

1. New Public Management and CEE public administration reforms

This brief introductory part of our paper summarizes findings from a recent NISPAcee project (Bouckaert et al. 2009) concerning the NPM contents of reforms. Even though the pre-accession period was very much connected to capacity-building, where both “classic” public-management-reform measures and “CEE-specific measures” – such as fine-tuning or legal-structural retrenchment of existing institutions, improving the bureaucratic workflow and control in administrative organizations – and measures to achieve the EU conformity of certain institutions or policies were realized, important differences are visible.

To describe the situation, we can use Coombes and Verheijen (1997) and Pollitt and Bouckaert’s (2000) classification of reforms – these two classifications have the same basis and can be simplified as follows:

1. Radical public management type of reform
2. Mixed type of reform
3. Incremental reforms

If we exclude Eastern European countries, where reforms are still in their early phase making any attempts to label them both difficult and preliminary, the situation in the rest of the countries seems to be as follows (Table 1):

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3 The main basis for this part is the author’s text published in the NISPAcee book Public Management Reforms in Central and Eastern Europe (2009).
<table>
<thead>
<tr>
<th>Country</th>
<th>Reform type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>In the Czech Republic, incremental and legalistic reforms dominated during the entire evaluated period. There were few management reforms after 2000. The “Conception of public administration reform” from 1999 was planned for complex changes, but only administrative measures were really implemented. New liberal government elected in 2006 tried to propose NPM changes, but does not have real power to implement them.</td>
</tr>
<tr>
<td>Estonia</td>
<td>Estonian reforms seem to be the most radical and NPM-based. One of the main challenges in Estonia has been posed by the desire to jump straight into having modern management systems without previously establishing a solid basis – the classical hierarchically-structured public administration. The central aim in Estonian public administration has not been to build a solid ground for democracy but to improve the efficiency of public institutions. Yet, as a consequence of the policies adopted by successive neo-liberal governments, the underlying theme behind government reform initiatives has been decreasing the role of the state. Such an anti-state attitude has contributed to the development of ideas based on the minimal state.</td>
</tr>
<tr>
<td>Hungary</td>
<td>Hungarian reforms can be characterized as adhering to the mixed model, starting from a dominantly incremental and legalistic reform approach at the beginning of nineties, slowly changing to the mixed type with a radical NPM switch in the post-2006 period. Current NPM changes focus on two central elements – downsizing (including a radical decrease in civil-service employment – on the territorial and local levels this was well in the two-digit range, in some cases possibly even achieving 30 to 50 percent) and radical reform of the human resource management system.</td>
</tr>
<tr>
<td>Latvia</td>
<td>Latvian reforms can also be characterized as the mixed model from its beginning to the current reform activities. Several NPM types of reform changes were implemented, especially in the later phases of reforming the public-administration system, but NPM never dominated reform strategies.</td>
</tr>
<tr>
<td>Lithuania</td>
<td>The country report suggests that Lithuania appears to reach a second category (mixed model) of states called “modernizers” according to the classification by Pollitt and Bouckaert (2000). In the pre-accession period, Lithuanian public-management reform was characterized by ad-hoc and sectoral efforts. The first two attempts for comprehensive reform, which were undertaken by the Ministry of Public Administration Reforms and Local Authorities in 1995 and 1997, were not successful. More intensive competition over NPM-type reforms started only in the post-accession period.</td>
</tr>
<tr>
<td>Poland</td>
<td>Poland is the typical representative of the prevailing legalistic approach to the reforms, and it can be allotted to the third (incremental changes) group of reforms countries. Poland is continuously reorganizing management systems in the public sector. New Public Management had a limited impact on the Polish administration by providing ideas and demands for recognition of the need to modernize the Polish administration and at the same time reducing its size.</td>
</tr>
<tr>
<td>Romania</td>
<td>The information from the country report suggests that Romania lies somewhere between groups two and three. Each government after the 1989 revolution has had reforming public administration on its agenda. Though the concept of public management has not always intertwined with the reform of public administration, some new managerial ideas, such as the use of contractualization, strategic management and planning, performance-measurement systems, reform networks, etc., were included in reform packages.</td>
</tr>
<tr>
<td>Slovakia</td>
<td>Regarding the whole investigated period, Slovakia represents the mixed (“modernizers”) approach, but a deeper analysis may distinguish between three main phases. Before 2003, the reform was dominantly incremental and legalistic, with few NPM ideas realized. During the second legislation of liberal prime minister Dzurinda’s government (2003–2006), radical NPM changes were realized, such as massive decentralization and introducing performance-financing schemes. New prime minister Fico’s coalition, in power from 2006, returns to the ideas of a powerful state dominating in the system of delivery of public functions.</td>
</tr>
</tbody>
</table>

Source: Bouckaert et al. 2009
The table indicates that the “weight” of NPM was very different in the reforms. Clearly Estonia is the country from the sample where NPM ideas have prevailed in various public-administration reform concepts and strategies originating in the second half of the 1990s. Massive privatizations have led to the selling-off of strategic enterprises, such as railways (in 2001 until their re-nationalization in 2007), or crucial services, such as emergency medical aid, without much public discourse or market-testing. Czechia seems to represent the other pole, still reluctant to measures of marketizing the public sector.

2. Did NPM “deliver”: What do we know?

In this part, we briefly analyze the existing experience with NPM implementation in CEE regions. On the country level, we use the example of Estonia for a brief evaluation, then we discuss in detail impacts from the use of different NPM-type mechanisms in selected CEE countries.

Estonian reforms were heavily based on NPM approaches. From two choices – legalistic reforms led by German PA experts in the country (Drechsler 2001) or radical NPM changes –, it selected the second option. Already after few years, the best PA experts in the country (Drechsler, Randma-Liiv, Kattel and others) started to provide important warnings in connection with non-critical implementation of NPM ideas. Today Estonia, which was the main proponent at the beginning, belongs to the “strong opposers” of NPM-based reforms. Not only the opinion of the academic society is clear now (Drechsler 2005, Randma-Liiv 2008, Drechsler and Kattel 2008), but also the government recognized important failures. Such change is a clear expression of the fact that expectations connected with NPM reforms in the country were not fulfilled. Slovak experience with decentralization reforms provides a similar picture. With respect to the existing experience, the lesson from/for the “macro-level” is self-evident:

Overestimating the role of NPM, implementing NPM as the reform ideology and main goal when reforming administrative systems in transitional countries, is an evident mistake.

We should also add, not on the basis of our research, but on the basis of conclusions drawn by most important PA “gurus” (Pollitt, Bouckaert, Lane, Peters and others):

NPM strategies did not work as expected in developed “Western” democracies either, delivered some success but also many failures, and their general impact (positive or negative?) on PA development is really difficult to verify.
2.1 Selected experience with NPM approaches/mechanisms/tools

In this part, we try to provide some evidence about results from implementing NPM techniques in CEE, dominantly using the evidence from the Czech and Slovak Republics. The main focus will be contracting, outsourcing and performance evaluation and management, where we already collected a large amount of direct data; other areas provide similar lessons.

**Contracting local public services**

Contracting local public services is a very frequent delivery solution in CEE. Several experts deal with the issue (Péteri and Horvath 2001 and Zoltán 1996 for Hungary, Pavel 2006 and Ochrana et al. 2007 for the Czech Republic, Tönnisson and Wilson 2007 for Estonia and Setnikar-Cankar et al. 2009 for Slovenia), and their results are very similar. We use Slovak and Czech data, partly benchmarked to the Estonia situation.

The data in Table 2 are a clear example of the situation; the availability of more limits the risk of interpretation mistakes.

**Table 2**

The scale of contracting in Slovakia

<table>
<thead>
<tr>
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<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste</td>
<td>49</td>
<td>64</td>
<td>69</td>
<td>80</td>
<td>56</td>
<td>80</td>
</tr>
<tr>
<td>Cemeteries</td>
<td>27</td>
<td>12</td>
<td>16</td>
<td>13</td>
<td>35</td>
<td>13</td>
</tr>
<tr>
<td>Public green</td>
<td>16</td>
<td>18</td>
<td>33</td>
<td>14</td>
<td>38</td>
<td>6</td>
</tr>
<tr>
<td>Maintenance of local communications</td>
<td>21</td>
<td>41</td>
<td>45</td>
<td>38</td>
<td>37</td>
<td>55</td>
</tr>
<tr>
<td>Public lighting</td>
<td>30</td>
<td>35</td>
<td>40</td>
<td>39</td>
<td>49</td>
<td>38</td>
</tr>
</tbody>
</table>


The main results from contracting should be a stronger economy for the same quality or slightly higher costs for much better quality. Both dimensions have been checked for Slovak conditions. The data provided by Meričková (2006), Sičáková-Beblavá and Beblavý (2007) and other authors indicate that there are no major differences in the quality of the delivered services; thus we can focus on economy.

Table 3 indicates that there is no general trend on unit costs, when we compare internal and external forms of delivery. Data differ between sources and municipalities and are not very reliable, either. Costs for internal delivery solutions are underestimated; normally they do not include depreciations, overheads and transaction
costs. In such conditions, external delivery costs below, let us say, 125% of internal delivery costs may still represent an economical decision.

Table 3
Costs for external delivery of local public services per inhabitant in Slovakia (internal = 100%)

<table>
<thead>
<tr>
<th>Service</th>
<th>2001</th>
<th>2005</th>
<th>2006</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste</td>
<td>94</td>
<td>94</td>
<td>125</td>
<td>184</td>
<td>60</td>
</tr>
<tr>
<td>Cemeteries</td>
<td>64</td>
<td>13</td>
<td>67</td>
<td>146</td>
<td>66</td>
</tr>
<tr>
<td>Public green</td>
<td>82</td>
<td>192</td>
<td>150</td>
<td>151</td>
<td>133</td>
</tr>
<tr>
<td>Maintenance of local communications</td>
<td>70</td>
<td>109</td>
<td>119</td>
<td>114</td>
<td>104</td>
</tr>
<tr>
<td>Public lighting</td>
<td>100</td>
<td>138</td>
<td>128</td>
<td>156</td>
<td>127</td>
</tr>
</tbody>
</table>

Source: own research, Transparency International Slovakia 2006

Two connected issues need to be mentioned – limited results may be caused by non-competitive selections of suppliers, and the differences between unit costs in municipalities of the same size are too high. Table 4 provides evidence for the first problem (no answer usually means direct award).

Table 4
Selection of an external supplier for local public services

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Open tender</td>
<td>16</td>
<td>17</td>
<td>27</td>
<td>32</td>
<td>17</td>
</tr>
<tr>
<td>Restricted tender</td>
<td>5</td>
<td>0</td>
<td>5</td>
<td>3</td>
<td>14</td>
</tr>
<tr>
<td>Negotiations</td>
<td>0</td>
<td>13</td>
<td>30</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Price bid</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>Direct award</td>
<td>31</td>
<td>17</td>
<td>38</td>
<td>30</td>
<td>11</td>
</tr>
<tr>
<td>Municipality did not answer</td>
<td>48</td>
<td>55</td>
<td>–</td>
<td>25</td>
<td>66</td>
</tr>
</tbody>
</table>

Source: own research, Transparency International Slovakia 2006

The problem of too large differences for similar conditions was very visible especially at the beginning of our research, but still remains (Pavel 2009b, Majlinggova and Sagat 2006). In some cases, municipalities pay more than 100% of the costs for a service in similar conditions. This situation also persists because regular
performance benchmarking is not the rule in Slovakia, Czechia, but also most of other CEE countries.

**Outsourcing of supportive services in public organizations**

Outsourcing of supportive services is a less frequently investigated issue, but existing data show that it is also a relatively frequent solution in CEE. Table 5 provides older data for the Czech Republic (more recent research in Slovakia shows similar patterns, see Meričková 2006).

**Table 5**

Frequency of use of contracting-out of supportive services – the Czech Republic, 2000 (figures describe number of organizations)

<table>
<thead>
<tr>
<th>Type of organization</th>
<th>Services contracted-out</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Cleaning</td>
<td>Catering</td>
<td>IT systems</td>
<td>Accounting</td>
<td>Legal services</td>
<td>Other</td>
</tr>
<tr>
<td>Educational bodies – total 11 organizations</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Hospitals – total 4 organizations</td>
<td>3</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Culture – total 5 organizations</td>
<td>2</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Local government offices – total 17 org.</td>
<td>3</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>1</td>
</tr>
<tr>
<td>State administration offices – total 19 org.</td>
<td>9</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: own research

The outcomes of outsourcing began to be investigated only recently, and our own data for Slovakia provide a very “bad” picture. Because data obtained via questionnaires are not and cannot be reliable, we conducted direct research in two selected organizations (municipality and administrative body) in Slovakia in 2009. The results are depressive – of 10 investigated decisions all 10 were non-economical. The most apparent problems were connected with internal transport, internal catering and external IT maintenance.

**Program (performance) budgeting and performance evaluation and financing**

Alongside Estonia, Slovakia is the country where performance tools were introduced on a large scale. In this part, we will describe Slovakian selected experience.
Program performance budgeting

Slovakia began with a full-accrual medium-term program and performance budgeting at the national level from 2005 (legal basis created in 2004), and beginning in 2010, this method will also be applied at the municipal level.

In theory (Ochrana 2003), program performance budgeting is a crucial budgeting tool, because it helps linking inputs to outputs, outcomes and results, and, if properly implemented (or with some time delay), it can significantly increase “value for money” from public expenditure. This approach was also recommended by the EU (Allen and Tomassi 2001).

The reality in Slovakia is different. The current situation clearly shows that if program performance budgeting is implemented by top-down orders and in a bureaucratic way, it cannot deliver results but just increases costs. As of today, program goals are formulated similarly to the rhetoric from the past; indicators and targets are formal or missing completely. We provide the Ministry of Health’s selected sub-program (most of the others were similar) from the 2009 budget as an example of bad practice:

**Program: Prevention and protection of health**

**Sub-program: Improving quality of life and health of population**

**Goal:** Improving and securing the health status of inhabitants by the realization of projects focusing on better natural and working environment.

**Planned resources:** not defined

**Indicator:** yes

Performance financing and its pervasive effects

In this part, we will also use the Slovak facts as an example, namely for performance financing of universities. Another similar case is the Czech Republic – performance (public schools) and fee financing (private schools) plus demographic trends are main factors of an interesting situation in which high schools may soon be ready to accept about 90% of the population, which is simply too much.

The revenues of universities in Slovakia consist of two main sources – public grants/transfers (80–90%) and the universities’ own incomes. For the allocation of public grants, the Slovak Republic uses almost to 100% a formula-based performance financing system. The system is as follows:

Program: University education, science and social support to students

- subprogram University education ➔ Grant to finance accredited study programs
subprogram University science and technique → Grant to finance research and development
subprogram Universities’ development → Grant to finance development needs
subprogram Social support for students → Grant to provide support to students
subprogram Targeted transfers

Source: http://www.minedu.sk/FaR/FINVS/finvs.htm

As indicated, public transfers represent the main source of income for Slovak universities and developed as described by Table 6.

**Table 6**

Public transfers to public universities 2002–2006 (mil. Sk, current prices)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grant to finance study programs</td>
<td>5825</td>
<td>6660</td>
<td>7460</td>
<td>8023</td>
<td>8745</td>
</tr>
<tr>
<td>Grant to finance research &amp; development</td>
<td>584</td>
<td>638</td>
<td>948</td>
<td>1066</td>
<td>1119</td>
</tr>
<tr>
<td>Grant to finance development needs</td>
<td>378</td>
<td>370</td>
<td>330</td>
<td>450</td>
<td>500</td>
</tr>
<tr>
<td>Grant to provide support to students</td>
<td>648</td>
<td>650</td>
<td>700</td>
<td>810</td>
<td>1150</td>
</tr>
<tr>
<td>Total</td>
<td>7435</td>
<td>8318</td>
<td>9438</td>
<td>10349</td>
<td>11514</td>
</tr>
</tbody>
</table>

Source: www.minedu.sk

The expectation was that the allocation formula would motivate schools to focus on quality and not so much on the number of students. The reality was completely different; all schools reacted by a significant increase of newly accepted students (Table 7), which might be a positive fact in itself, but because the total amount of allocated resources increases very slowly, marginally “faster” than inflation, the outcome is tragic: the grant per student decreased significantly during the last 5 years. The “performance trap” was established. With less unit resources, the quality was sacrificed (well documented by the national ranking agency ARRA). The government reacted ex-post and started to increase the weight of scientific results in the formula (from 5% at the beginning to 40% today).
Table 7
Number of newly accepted students in Slovakia

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New full-time students</td>
<td>13,404</td>
<td>20,809</td>
<td>24,279</td>
<td>24,270</td>
<td>26,974</td>
<td>24,150</td>
<td>32,488</td>
<td>35,542</td>
</tr>
<tr>
<td>% of new full time students from 18 (19)-year-old population</td>
<td>15.9%</td>
<td>21.8%</td>
<td>27.2%</td>
<td>27.2%</td>
<td>30.4%</td>
<td>27.2%</td>
<td>36.7%</td>
<td>41.3%</td>
</tr>
<tr>
<td>New part-time students</td>
<td>1,868</td>
<td>3,881</td>
<td>9,665</td>
<td>12,763</td>
<td>8,057</td>
<td>15,057</td>
<td>15,718</td>
<td>17,254</td>
</tr>
<tr>
<td>Total</td>
<td>15,272</td>
<td>24,690</td>
<td>33,944</td>
<td>37,033</td>
<td>35,031</td>
<td>39,207</td>
<td>48,206</td>
<td>52,796</td>
</tr>
</tbody>
</table>

Source: www.minedu.sk

The explanation of purposes for significant increase of newly accepted students is simple. The management of a university was allowed to maximize the level of the public grant by maximizing the number of accepted students. This also really happened. The only open question is: was this planning mistake by the government intentional or caused by the lack of experience?

2.2 Selected experience with NPM approaches/mechanisms/tools:
Conclusions

On the basis of the above analysis, supported by similar findings of other experts in the same or different areas, we may conclude the following:

*Results from the use of concrete NPM-type tools and mechanisms are significantly different [by instruments used and by countries] and depend on concrete local conditions and the environment.*

*The implementation of any NPM mechanism shall be deeply investigated for pervasive effects and other dysfunction “ex-ante”. Ex-post corrections are costly, if they are possible at all.*

3. Possible explanations

As already indicated, several analyses (e.g. Pollitt and Bouckaert 2000 and 2004, Lane 2000) clearly indicate that NPM strategies are not just positive multidimensional tools and that NPM as the simple dominating ideology was not the best basis for public-sector reforms anywhere. This is the general lesson, almost fully accepted by academia today.
In the following text, we first provide important statements and than discuss selected explanations why NPM was less successful in the CEE region compared to more developed states.

“NPM is particularly bad if pushed upon transition and development countries because if it can make any sense, then it is only in an environment of a well-functioning democratic administrative tradition” (Drechsler 2005, 101).

“The greater the shortcomings in a country’s established management practices, the less suitable are the [NPM] reforms” (Schick 1998, 124).

“Once a so-called Weberian administrative system is institutionalized, then it may make sense to consider how best to move from that system towards a more ‘modern’ system of PA” (Peters 2001, 176).

“Importing NPM techniques that needed to improve Weberian bureaucracies when these were not present, and simultaneously building classical checks and balances was a tough reality. Reforming in such a case sometimes was organizing dysfunctions” (Nakrosis and Nemec, unpublished).

3.1 What was missing, what was and is different in CEE?

The use of NPM in transitional countries, to be successful – to deliver positive outcomes and impacts – has to reflect specific “transitional” circumstances, which may limit the possible positive impacts of NPM for reforming public sectors and exaggerate its negative features. The following text provides examples of the main region-specific features that clearly limit the (already controversial) positive potential of NPM use.

**Competitiveness and business strategies**

The early phases of transformation from a command economy to the market system are clearly characterized by the fact that even potentially competitive markets in transitive countries were not well developed, dominated by monopolistic or oligopolistic structures and behaviors. Given this, it is rather optimistic to expect that competition may help to improve the performance of the public sector: one of the main arguments for NPM’s competitive arrangements are cost-savings as a result of competition.

One example of an unsuccessful attempt to use competition to regulate public service are the failures of the first stages of health reforms in Slovakia and the Czech Republic. Both countries switched from a general taxation system to a pluralistic
health-insurance system too early (1993). Many health-insurance companies were established, most of which collapsed soon, creating just extra transactions costs and no benefits for the system. When financial markets do not function, pluralistic insurance cannot deliver (Nemec and Lawson 2005).

Did the situation improve? Can public bodies get enough competitive bids? Is the private sector ready to compete and co-operate with government today? We feel that the responses will not be solely positive. Certainly, the situation improved. However, the business environment in most CEE countries is still far from perfect. According to our opinion (and that of others), short-term profit strategies prevail while fair long-term business strategies are still rare. One example from our research may support these statements.

The city of Michalovce in Slovakia organized seven large-scale procurements in 2009. The average weighted number of bids (for financial amounts) per one invitation was 1.1. We cannot prove that this is just the result of the low level of competitiveness; intentionally discriminatory formulated tender conditions may deliver the same result, but at least it is a clear example that competition is not present. If the failure is caused by the city management, why does (fair!) business not complain?

**Democracy, citizen as watchdog for government’s malfunctions**

The expectations at the beginning of the transformation were optimistic, but today we know well that democratic institutions and norms were not fully developed in CEE during the period of transformation, which lasted twenty years. The structures exist, but the behavior is “semi-socialist”.

<table>
<thead>
<tr>
<th>Country</th>
<th>Agreement with pluralistic democracy</th>
<th>Agreement with market economy</th>
<th>People worse off than in communism</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Germany</td>
<td>91/85</td>
<td>86/82</td>
<td>Better/x</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>80/80</td>
<td>87/79</td>
<td>45/51</td>
</tr>
<tr>
<td>Slovakia</td>
<td>70/71</td>
<td>69/66</td>
<td>29/66</td>
</tr>
<tr>
<td>Poland</td>
<td>66/70</td>
<td>80/71</td>
<td>47/47</td>
</tr>
<tr>
<td>Hungary</td>
<td>74/56</td>
<td>80/46</td>
<td>8/88</td>
</tr>
<tr>
<td>Lithuania</td>
<td>75/55</td>
<td>76/50</td>
<td>23/63</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>76/52</td>
<td>73/53</td>
<td>13/80</td>
</tr>
</tbody>
</table>

Source: Two Decades After the Wall’s Fall. The Pew Global Attitudes Project. www.pewglobal.org
A lot of research on attitudes, disillusion and norms was realized in connection with the twenty years from the changes in 1989. Their results are not very positive for any NPM attempts (Tables 8 and 9).

**Table 9**
The three most critical problems (%)

<table>
<thead>
<tr>
<th>Country</th>
<th>Corruption</th>
<th>Criminality</th>
<th>Drugs</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Germany</td>
<td>x</td>
<td>47</td>
<td>50</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>71</td>
<td>55</td>
<td>51</td>
</tr>
<tr>
<td>Slovakia</td>
<td>52</td>
<td>55</td>
<td>46</td>
</tr>
<tr>
<td>Poland</td>
<td>58</td>
<td>49</td>
<td>49</td>
</tr>
<tr>
<td>Hungary</td>
<td>76</td>
<td>69</td>
<td>x</td>
</tr>
<tr>
<td>Lithuania</td>
<td>78</td>
<td>76</td>
<td>66</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>76</td>
<td>76</td>
<td>74</td>
</tr>
</tbody>
</table>

Source: Two Decades After the Wall’s Fall. The Pew Global Attitudes Project. www.pewglobal.org

A lack of sense of individual responsibility, paternalism and fiscal illusion remain important features of citizens’ behavior. For example in Slovakia, 67% of respondents believe that their problems need to be solved by the state (Bunčak et al. 2009). In the Czech Republic, the issue of co-payments in health care significantly influenced regional elections in 2009; social democrats used their introduction as a main fighting tool against the governing party – people still feel that “there is a free lunch”.

In these conditions, the rent-seeking behavior of politicians and bureaucrats is fully effective (from an economic point of view) as the simplest way to maximize individual benefits, at least from a short-term perspective.

On the other hand, we need to stress that rent-seeking strategies will be realized independently of the presence of NPM measures. The service may be outsourced to relatives or friends, but it can also be channeled internally (Beblavý and Sičáková-Beblavá 2006). Our data about the costs of local public services clearly support this statement.

“Quality of the state of law”
The possible success of NPM is also connected with the “quality of the state of law”. The state is switching from the role of the provider to a regulatory function: such a change is impossible (technically possible, but cannot deliver results) in conditions where the regulation and guidelines do not exist and where the law is not respected.
As of today, we can find too much evidence that respecting the law is not the rule for governmental officials and not required by citizens. In CEE, a minister can publicly say: “I know that the Law was not respected by our action. However, the fine is just a transfer from one state pocket to another, we need not care. And we have fire engines, which is most important” (simplified statement of the Slovak Minister of Interior, commenting on the breach of the public procurement law in 2005), and nobody cares: party preferences remain unchanged.

Many difficult NPM instruments are introduced without having any explanations, recommendations and guidelines for users available. Some countries have public procurement offices, for example, but if we check their web pages for standard templates, guidelines and other navigation, too few might be found – very poor results after more than 15 years of passing the first procurement laws. Navigation on the implementation of NPM techniques like outsourcing, contracting and benchmarking is almost invisible on the government’s web pages. And even if some navigation does exist – as for the PPP projects that are very popular today – it also includes apparent mistakes (such as the ideas that PPP is the tool with which to react to the lack of public resources or that PPP starts only today).

The effective use of NPM tools should be based on data and evidence. These are almost not available. For example, only recently countries started to switch to accrual accounting rules, but this is still not enough: full cost accounting might be found only in a very small sample of public organizations (universities, hospitals).

The effective use of NPM tools needs also to be supported by new control and audit approaches, focusing both on legality and results. However, the current systems of public sector control/auditing in use in most if not all CEE countries predominantly belong to the old-fashioned administrative procedural type of control. New laws on financial control were passed by national parliaments under pressure from Brussels, but in reality, effective mechanisms to control/audit real efficiency, economy and effectiveness and quality of public-sector institutions and processes are still not in place (Pavel 2009b).

Territorial fragmentation
Several CEE countries “suffer” from extreme territorial administrative fragmentation (Table 10). “Classic” examples are Slovakia, which has only 5.5 million inhabitants, but almost 2,900 municipalities, 68% of which with less than a thousand inhabitants, and the Czech Republic with almost 10 million inhabitants, but close to 6,000 municipalities, 80% of which with under a thousand inhabitants (see also Table 10).

According to Davey (2002, 35), such municipalities struggle with large implementation deficits: “Reform programs are challenged by the inability of such communities to provide administrative and financial capacity, and the scale economics and catchment areas necessary for essential services”. For this reason, we feel that
territorial fragmentation, in the absence of effective inter-municipal co-operation, may also be an explanatory factor in accounting for the differences between Estonia and Czechia and Slovakia.

Table 10
Average size of municipalities in selected CEE countries

<table>
<thead>
<tr>
<th>Country</th>
<th>% of municipalities below 1000 inhabitants</th>
<th>Average population of municipality</th>
<th>Average area of municipality (m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>0</td>
<td>35,000</td>
<td>432</td>
</tr>
<tr>
<td>Poland</td>
<td>0</td>
<td>16,000</td>
<td>130</td>
</tr>
<tr>
<td>Hungary</td>
<td>54</td>
<td>3,300</td>
<td>32</td>
</tr>
<tr>
<td>Slovakia</td>
<td>68</td>
<td>1,900</td>
<td>17</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>80</td>
<td>1,700</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: Davey 2002, 36

Corruption

It is difficult to measure corruption. Probably the most frequently used Transparency International CPI indexes describe opinions about corruption and do not measure it directly. Many methodologies are sensitive to the level of awareness – when respondents become more aware about the problem, results worsen. In any case, the risk of corruption in CEE is relatively high. We provide one set of data as an example (Table 11).

Table 11
Indicators of corruption in selected CEE countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Year</th>
<th>Observations</th>
<th>A</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Czech Republic</td>
<td>2002</td>
<td>182</td>
<td>35.93</td>
<td>26.58</td>
<td>1.21</td>
<td>14.29</td>
<td>...</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>2005</td>
<td>208</td>
<td>29.73</td>
<td>36.82</td>
<td>1.98</td>
<td>25.49</td>
<td>...</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>2009</td>
<td>250</td>
<td>8.73</td>
<td>30.31</td>
<td>1.49</td>
<td>25.12</td>
<td>35.15</td>
</tr>
<tr>
<td>Estonia</td>
<td>2002</td>
<td>134</td>
<td>35.14</td>
<td>24.76</td>
<td>1.04</td>
<td>4.58</td>
<td>...</td>
</tr>
<tr>
<td>Estonia</td>
<td>2005</td>
<td>172</td>
<td>18.31</td>
<td>7.97</td>
<td>0.18</td>
<td>3.68</td>
<td>...</td>
</tr>
<tr>
<td>Estonia</td>
<td>2009</td>
<td>273</td>
<td>1.60</td>
<td>0.28</td>
<td>0.00</td>
<td>5.43</td>
<td>66.45</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2002</td>
<td>110</td>
<td>64.44</td>
<td>56.18</td>
<td>3.35</td>
<td>32.04</td>
<td>...</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2005</td>
<td>143</td>
<td>35.87</td>
<td>38.20</td>
<td>2.02</td>
<td>13.64</td>
<td>...</td>
</tr>
<tr>
<td>Slovakia</td>
<td>2009</td>
<td>275</td>
<td>11.63</td>
<td>23.06</td>
<td>2.31</td>
<td>33.11</td>
<td>20.67</td>
</tr>
</tbody>
</table>

Source: http://www.enterprisesurveys.org/

A: % of firms expected to pay informal payment to public officials (to get things done)
J: % of firms expected to give gifts to secure a government contract
K: value of gift expected to secure government contract (% of contract)
L: % of firms identifying corruption as a major constraint
M: % of firms believing the court system is fair, impartial and uncorrupted

The high risk of corruption is the source of an increased risk connected with implementation of most NPM-type arrangements. To see this issue complex, we need to be fair: as already indicated, if officials are corrupted, they will withdraw their rent with or without NPM arrangements. However, in the case of NPM tools, such rent might be “channeled” to two partners – bureaucrats and suppliers –, and thus its total amount might be higher.

Education and training

NPM needs public managers and not only public bureaucrats. Our recent findings (Nemec, Spacek and Suwaj 2009) from the research in Poland, the Czech Republic and Slovakia are very interesting from this point of view. We found that public-management programs are rare in Poland and do not exist in the other two countries. In this stage, we were only able to check some selected administrative reasons for this situation. At least for the Czech and Slovak conditions, it is apparent that neither rules for civil service education and training nor accreditation rules provide motivation for establishing a public-management program.

3.2 CEE countries differ!

The previous text provided many examples of missing mechanisms and limited environments for the successful implementation of NPM. To provide a complex picture, we need to stress again that our picture was just a general simplification, the concrete situations differ. For any of the above-mentioned (and not mentioned) facts, some countries are better off, some are still underdeveloped.

The best way to check the situation is cross-country studies with a uniform and tested methodology. We tried to realize one such research (Table 12) as a reaction to the too large differences between Slovakia, Czechia and Estonia concerning the use of benchmarking (Nemec and Merickova 2010). Why is Estonia better off? It is difficult to prove, but we feel that less fragmentation and less corruption and more responsibility may be part of the explanation.

4. Conclusions: Where do (should) we go?

The analytical part of our paper leads to clear conclusions. NPM as the reform ideology cannot help developing countries. Also NPM tools and mechanisms delivered very mixed results in the CEE region, more negative than positive: mainly not because of their character, but because of their wrong implementation or non-implementation (we still feel that, for example, benchmarking may really help).
### Table 12
Selected responses from municipalities (%)

<table>
<thead>
<tr>
<th></th>
<th>Strongly disagree/disagree</th>
<th>Agree/strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>EST</td>
<td>CR</td>
</tr>
<tr>
<td>1. The municipal employees are committed to continuous service improvement.</td>
<td>3</td>
<td>4.11</td>
</tr>
<tr>
<td>2. My authority reviews the need for the services we provide at least once every three years.</td>
<td>12</td>
<td>37.20</td>
</tr>
<tr>
<td>3. Municipal employees are encouraged to question the need for each service to be provided.</td>
<td>13</td>
<td>25.79</td>
</tr>
<tr>
<td>4. My local authority delivers high quality services.</td>
<td>7</td>
<td>18.32</td>
</tr>
<tr>
<td>5. My authority regularly compares the costs of internal and external delivery alternatives of supportive services (cleaning, catering, etc.).</td>
<td>x</td>
<td>17.37</td>
</tr>
<tr>
<td>6. My authority compares the costs of its services with other local authorities.</td>
<td>5</td>
<td>51.41</td>
</tr>
<tr>
<td>7. My authority regularly compares the quality of internal and external delivery alternatives of supportive services (cleaning, catering, etc.).</td>
<td>x</td>
<td>22.05</td>
</tr>
<tr>
<td>8. My authority compares the quality of its services with other local authorities.</td>
<td>7</td>
<td>45.98</td>
</tr>
<tr>
<td>9. In my authority, there is a zero level of corruption.</td>
<td>x</td>
<td>5.43</td>
</tr>
</tbody>
</table>

Source: Authors’ research for Czechia and Slovakia; Tõnnisson and Wilson (2007) for Estonia
As indicated at the beginning, the current global crisis would motivate governments to a new phase of public-administration reforms, at least to revitalize the public-finance system, currently coping with large deficits and fast increasing debts. If the IMF prognosis (Table 13) became reality, we may expect Greece not to be the only state close to bankruptcy. Simple cost-cutting (also via some NPM mechanisms, including the sale of the last state-owned resources) may be a short-term escape, but we need more long-term polices.

Table 13
Debt prognosis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>64.9</td>
<td>61.2</td>
<td>63.1</td>
<td>70.5</td>
<td>87.0</td>
<td>97.5</td>
<td>106.7</td>
</tr>
<tr>
<td>Euro Area</td>
<td>68.6</td>
<td>68.7</td>
<td>65.8</td>
<td>69.1</td>
<td>78.9</td>
<td>85.0</td>
<td>91.4</td>
</tr>
<tr>
<td>Japan</td>
<td>117.3</td>
<td>167.2</td>
<td>187.7</td>
<td>196.3</td>
<td>217.2</td>
<td>227.4</td>
<td>234.2</td>
</tr>
<tr>
<td>UK</td>
<td>43.1</td>
<td>38.5</td>
<td>44.1</td>
<td>51.9</td>
<td>62.7</td>
<td>72.7</td>
<td>87.8</td>
</tr>
</tbody>
</table>

Source: IMF World Economic Outlook Projections, April 2009

What “reform model” should be proposed to CEE governments? Returning to pure legalistic “Austro-Hungarian” traditions would not deliver enough within the conditions of limited respect to the law, typical of most transitional countries, attempts to improve the performance of public administration by extra laws, norm and regulations cannot work. Another potential option may be available: more and more frequently we may hear about the “Neo-Weberian” state (Pollitt and Bouckaert 2004, in CEE especially Drechsler 2009).

Pollitt and Bouckaert (Table 14) tried to define the main features of this model of the state already in 2004.

If we compare their description of the “Neo-Weberian” model with important EU documents, especially “European Governance: A White Paper” (2001) and “European Principles for Public Administration” (1998), we may conclude that their contents are almost similar. Thus, the most important norms for the “Neo-Weberian” state, but also the “Modern Governance” state, would be:

- reliability, predictability, coherence;
- openness and transparency;
- accountability and responsibility;
- professionalism;
- participation;
- effectiveness.
What does this mean? In a simplified way: “Adieu NPM” should mean that managing by contracts, objectives, competition, etc. as the goal, is a forgotten story (not only for CEE, but generally).

But governing by predictable, reliable and coherent, open and transparent, accountable and responsible bureaucracy, using evidence- and consultation-based policy-making and simultaneously properly managing the efficiency, economy and effectiveness of any government operation is the future target.

Is such a model realistic? Generally and in CEE conditions? We are afraid that any model cannot be fully implemented in reality. How far governments will be able to go depends on many factors – internal and external. Could the possible future public-finance crisis be such a moving factor?

Table 14
The Neo-Weberian State (summary)

<table>
<thead>
<tr>
<th>Neo-</th>
<th>Weberian</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shift from an internal orientation towards bureaucratic rules to an external orientation towards meeting citizens’ needs and wishes. The primary route to achieving this is not the employment of market mechanisms (although they may occasionally come in handy) but the creation of a professional culture of quality and service;</td>
<td>[but:] Reaffirmation of the role of the state as the main facilitator of solutions to the new problems of globalization, technological change, shifting demographics, and environmental threat;</td>
</tr>
<tr>
<td>Supplementation (not replacement) of the role of representative democracy by a range of devices for consultation with, and direct representation of, citizens’ views …;</td>
<td>[but:] Reaffirmation of the role of representative democracy (central, regional, and local) as the legitimating element within the state apparatus;</td>
</tr>
<tr>
<td>In the management of resources within government, a modernization of the relevant laws to encourage a greater orientation towards the achievements of results rather than merely the correct following of procedure. This is expressed partly in a shift from ex ante to ex post controls, but not a complete abandonment of the former;</td>
<td>[but:] Reaffirmation of administrative law – suitably modernized – in preserving the basic principles pertaining to the citizen-state relationship, including equality before the law, legal security, and the availability of specialized legal scrutiny of state actions;</td>
</tr>
<tr>
<td>A professionalization of the public service, so that the “bureaucrat” becomes not simply an expert in the law relevant to his or her sphere of activity, but also a professional manager, oriented to meeting the needs of his or her citizens/users;</td>
<td>[but:] Preservation of the idea of a public service with a distinct status, culture, and terms and conditions.</td>
</tr>
</tbody>
</table>

(Drechsler 2009, 13, based on Pollitt and Bouckaert 2004, 99–100)
References


Case Studies
From CAF to EPUS: A New Quality Approach for Russian Public Administration

Dmitry Maslov

Introduction

Since 2003, the President of the Russian Federation, Vladimir Putin, in his annual memorandum to the federal assembly has focused on insufficient quality and effectiveness in public administrations at all levels. In 2003, administrative and civil-service reforms were started in Russia, and fast results were expected. But in 2004, more than 71% of citizens were not satisfied with the quality of public services (The Concept of the Administrative Reform in Russian Federation in 2006–2008). Changes continued with the budgetary reform in 2004–2006, the reform of local self-government and a new phase of the administrative reform in 2006–2008. Like other institutional reforms in EU member states of the last 7–8 years, the administrative reform in Russia aims to improve the quality of public services, reduce governmental influence on business and increase the efficiency of public administrations. Also the Russian administrative reform follows the European tendency of introducing business methods into the public-administration management system. This paper analyses the current situation regarding effectiveness and quality in Russian public administrations, summarises European experience on this issue, in particular activities related to the Common Assessment Framework (CAF) and in more detail Polish good practice in this field, and finally describes the EPUS (Effective Public Service) system which is proposed by the author and expected to be introduced by the Russian government as a part of the administrative reform in 2008 and as a methodology for deploying quality management principles into public-administration practice.

1 Director of the Scientific Centre for Benchmarking and Excellence Ivanovo State Power University, Russia; project initiator/Coordinator of the UNDP/RCPAR multi-country activity “Improving Quality of Public Management through Application of the CAF Model (IQUAL)”. e-mail: maslow@bk.ru. The paper has been written as a result of study visits to Warsaw in the framework of a fellowship programme, co-ordinated by the Institute of Public Affairs, Warsaw and the Strategy Center, Saint Petersburg, funded by the National Endowment for Democracy.
Quality in Russian public administrations in 2004–2007: The situation as it is

According to the Public Opinion Foundation, only 14 per cent of the citizens in 2004 were satisfied with the quality of public services provided by state authorities. At the same time Russian SMEs spent nearly 8.5 per cent of income on overcoming administrative barriers. According to the GRICS index, which is defined by the World Bank and estimates the efficiency of the governments of 209 countries, Russia was, and still is, at the bottom of the rating in fields connected with overall performance of the government, quality of the legislation, rule of law and control of corruption. A large amount of other official (statistical) evidence of the poor quality of public services in Russia could be stated here, and some of them were given in the Concept of Administrative Reform in Russian Federation 2006–2008.

At the same time, everyone feels the insufficient quality of public services daily being an ordinary citizen, staying for hours in queues at cabinets of officials, going on various instances to legalise their proprietary rights, waiting for important pieces of paper for weeks and so on and so on.

Society says today that the quality of public services has to be much higher. And the government agrees. The administrative reform for 2006–2008 sets very serious objectives – increasing citizens’ satisfaction with public services to 50 per cent in 2008 and no less than 70 per cent satisfaction rate at the end of 2010. How could it be done?

There are different ways. First – do it just on paper and present to society that everything is good enough. Second – do it through introducing some kind of measurement system with indicators that allow to get the planned satisfaction rates. Third – deploy the quality-management system in public administrations of different levels: federal, regional and local. The concept of the administrative reform in Russia for 2006–2008 is very close to programmes of implementing the quality-management system in the private sector. That is why many business principles were declared in the Concept: customer focus, process approach, result orientation. But there is a problem – how to implement these principles into day-to-day activities of public administrations. How to make it work? How to provide high-quality service to citizens, businesses and society in general using quality-management methodology and introducing modern tools and techniques like ISO 9000, benchmarking, the EFQM Excellence Model, etc.?

The first stage of the administrative reform in 2003–2004 concerned just the federal level but the second stage of 2006–2008 focuses mostly on regional authorities. In 2006, the Ministry of Economy and Trade funded pilot projects within the

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2 Source: All-Russian Public Organisation of Small and Medium Sized Business “Opora of Russia” & Public Opinion Foundation. The research was conducted in 2004 in 80 regions of the Russian Federation.
administrative reform framework, and 63 projects from 29 regions were supported for a total amount of 215 million rubles (near $9 million)\(^3\). Themes of projects were distributed as follows\(^4\):

- Designing and implementing administrative regulations (50%)
- Introducing management-by-results approach (20%)
- Introducing pre-judicial appeal mechanisms (7%)
- Introducing mechanisms of outsourcing administrative processes (7%)
- Developing anticorruption programmes (5%).

As we can see, half of all initiatives are about administrative regulations. So what is wrong? At first sight, the standardisation of public services has to bring about constancy of quality. It means that any citizen is sure about the quality of services he gets from government, and every contact with a civil servant or governmental official is like a visit to “McDonalds”, where you always get the same “BigMac” anytime and anywhere you want. Are there any differences between Russian governmental bodies and “McDonalds”? But what underpins quality by standards in “McDonalds” and regulations in the governmental sector in Russia? Let us look for an answer. “McDonalds” provides a quality product fully understanding its processes, how they flow from input to output, who internal and external customers are, what requirements need to be satisfied. The opposite process can be seen in state and local governments in Russia that have an organisational structure that Max Weber called “mechanistic bureaucracy”. Such structures have a strict hierarchy, limited people empowerment, precise functional specialisation and strong central-apparatus control.

Could we believe administrative reform to succeed on this ground? Could we wait for a breakthrough in the quality of public services using the way of standardisation without significant changes in thinking of people who provide those services? For today, it is hard to answer “Yes”. The discrepancy between the form (declared quality priorities) and its contents (deepened principles of mechanistic bureaucracy) is one of the reasons of the insufficient effectiveness of providing reforms in Russia\(^5\). But the Russian government has a choice: to keep a dangerous way of formalisation of each step in providing public service, increasing control or focus on necessary mindset changes for people who provide public services – give them a chance to be better by motivating their thinking, learning, serving society, doing their job with best quality. And it is possible within the declared quality approach.

\(^3\) Source: Extract from the report by A. V. Sharov (Director of the Department of State Regulation of Economy of the Ministry of Economic Development and Trade) at the meeting “Outcomes and Perspectives of the Administrative Reform at Federal and Regional Levels”, 2 February 2007.


\(^5\) Nevertheless there are some positive examples in Russian regions mostly connected with ISO 9000 in local administration (e.g. city of Shahty in Rostov region).
One of the important things is understanding that quality management is not only about results orientation, it is about people involvement, continuous improvement, innovation and learning. Also the quality-management system is not only a set of standards and procedures, it is a self-learning system which is focused on raising the degree of each stakeholder’s satisfaction, including citizens, employees, organisations both from the private and public sectors, society and state.

Common Assessment Framework: a better way to make the public sector work better

The second option above is choosing quality management (or Total Quality Management – TQM) instead of Management by Results (MBR). Quality-management tools like business-process reengineering, self-assessment, benchmarking and best-practice exchange have been widely used by the public sector for the last 5–6 years. The most popular way to implement quality management is ISO 9000 standards. But it has many limitations. Practice shows that ISO 9000 is too complex, not always understandable and always very expensive. Another approach is TQM Models like the EFQM (European Foundation for Quality Management) Excellence Model in Europe or Baldrige Criteria in the USA.

Since 2000, the Common Assessment Framework has been widely used in the European public sector – a TQM Model inspired by the EFQM Excellence Model, the model of the German University of Administrative Sciences in Speyer. CAF is a result of co-operation among the EU Ministers responsible for public administration.

Being a generic tool, CAF includes 9 criteria, 28 sub-criteria and a scoring system. The structure of the CAF model is illustrated in figure 1. (CAF 2006, 3)

**Figure 1**
The Common Assessment Framework (CAF 2006 version)

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*Based on the EFQM Excellence Model*
CAF is offered as an easy-to-use tool to assist public-sector organisations across Europe with introducing quality-management techniques to improve performance. Moreover CAF is growing in its role to present one common language. CAF provides a self-assessment framework that is conceptually similar to the major TQM models, EFQM in particular, but is specifically conceived for the public sector, taking into account its differences. Among CAF users, there are organisations from such fields as education, social services, health care, transport and infrastructure, police and even churches. But the most CAF-claimed area is federal governmental bodies as well as local and regional administrations.

The use of CAF has undeniably increased further: from 500 applications in late 2003 to nearly 900 in mid-2005 and over 1,900 by the end of 2006 (Study on the Use … 2005, 28). The implementation of CAF in Europe is voluntary in 9 member states; it is recommended by the government in 15 member states, and on the central level in the Czech Republic, Slovakia and Romania, CAF is obligatory (Staes and Thijs 2005, 44).

Nearly nine users in 10 started improvement actions as a result of CAF, and 95 per cent want to use CAF again. Using CAF in benchmarking/learning projects is the great challenge for the future and could bring great value for organisations in the public sector as TQM models help improve performance in the private sector.

It is also a huge advantage of CAF that it is in the public domain and free of charge. Every organisation is free to use the Common Assessment Framework as it wishes.

Some of the reasons that advocate that CAF works are presented below (CAF Works 2006, 96–98):

- **CAF provides a framework for introducing public-management strategy and tools**: this can be seen when CAF is used to define a strategy for the organisation or simply by defining the initial measures, responsibilities and time schedules for improvement actions.

- **Quality management with CAF is a continuous process**: it is important to constantly evaluate the process of change, by means of staff and citizen surveys, benchmarking with other administrations and repeatedly (e.g. every two years) defining one’s position with the help of CAF.

- **CAF motivates people**: employees involved in the CAF self-assessment process, in data management and surveys are very proud to be a part of a group of improvement and make a strong contribution to the success and diffusion of the initiative.

- **Benchlearning is a major objective of CAF**: The Common Assessment Framework is an important instrument for benchlearning between public-sector organisations of different countries but also within a single country.
CAF gives a link between results and measures: the CAF self-assessment can be seen as an eye-opener for the linkage between results and measures within the complex system of an organisation.

CAF Pyramid in Europe: “Polish floor”

Quality journey of public administration in Poland

The reform of public administration in Poland was initiated in 1990. Its main subject was not, however, the implementation of quality management in the public sector, but the introduction of strong local and regional self-government.

Also in 1990, “The Umbrella Project” was introduced by the government of Poland and the United Nations Development Programme (UNDP). The Umbrella Association of Consultants focused its consulting services on two areas – quality management and sustainable development strategies. The Project’s programmes significantly helped national public administration and the business sector in the implementation of effective quality-management methods (ISO 9001: 2000, EFQM Excellence Model, Total Quality Management (TQM), Business Process Modelling (BPM), People’s Satisfaction Survey) and the preparation of a sustainable development strategy (Local Agenda 21 for regional and local administration entities) in response to the processes of integration with the EU.

The next phases of reform took place in 1994, 1997 and 1998. In 1998, the Umbrella Project in co-operation with the Chancellery of the Prime Minister prepared the programme “Quality Management in Public Administration”, which was financed from sources of the Japanese government (Polish-Japanese Counterpart Fund). The applied methodology of this programme was based on the experiences and practices of West-European local government and has been adapted to the specifics of public administration. In 1999 and 2000, the Umbrella Project organised a number of conferences for the dissemination of quality-management philosophy in the public and governmental sectors, which were attended by a large group of representatives of the management of local offices (gminas, powiats) from the whole country.

At the end of the 1990s, the main method of deployment of quality-management principles was the implementation of ISO 9000 standards. In 1999, the first local government in Poland obtained an ISO 9001 certificate, the City Council of Dzierżoniów. In 2000, an ISO 9001 certificate was granted to the first powiat in Po-

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6 The Umbrella-Association of Consultants (www.umbrella.org.pl) is an independent consultancy with offices in Warsaw, Poland that specialises in quality management and local governance issues, provides consultancy services, training, practical policy guidance and strategic advise in the above areas – both for the private sector and for public-administration organisations. The Umbrella-Association of Consultants is also one of three founders of the National Partner Organisation (NPO) of the European Foundation for Quality Management (EFQM) in Poland.

Previous loops of administrative reforms required a deeper understanding of principles of quality management, and new instruments and methods were introduced. The reorganisation of the public offices in Poland is a very complicated task. One of the reasons is that some institutions continued its activities according to the models of behaviour from the times of the communist system.

At the present time beside ISO 9000 standards, the following quality techniques are used in the Polish public sector: BPR (Business Process Reengineering), BSC (Balanced Scorecard), EFQM Excellence Model and several other methods including the Common Assessment Framework. The CAF model was first introduced in Poland in 2001–2002 and also by Umbrella, which initiated 5 pilot diagnoses within managerial staff in 5 offices.

**Milestones of CAF development in Poland**

The European Commission positions CAF as a standard tool serving the improvement of management and benchmarking in the administration of the EU countries. One of the main aims of applying CAF in Polish public administration is creating a benchmarking database of the best management practices.

In spite of increasing political support of CAF in Poland, there was previously no direct financial support from the government for CAF-related initiatives. However, there is a EU project on implementing CAF at selected central offices and ministries, in the framework of “Transition Facility” led by the Ministry of Internal Affairs and Administration.

The Polish Office of Civil Service, subordinated to the Chancellery of the Prime Minister, is in charge of CAF movement. The Office coordinates CAF activities in Poland, communicates and collaborates with CAF users, corresponds with the CAF-resource centre of the European Institute of Public Administration (EIPA) and represents Poland at CAF conferences and other European meetings and events. A summarised list of Polish CAF activities is presented in table 1 (Staes and Thijs 2005, 47).

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8 From this point of view, the Polish situation had many common elements with the situation in Russia.
9 Urząd jako zbiór procesów – wywiad z Pawłem Kameckim (Pawel Kamecki is Umbrella Consultant, Regional Director Umbrella Consulting Sp z o. o. Available at www.egov.pl (Accessed 30 April 2004).
10 That was of interest to Umbrella, which develops the database of management best practices and know-how, which contains practical, proven solutions gathered by various organisations and partners co-operating with Umbrella and Umbrella's consultants in a number of public-administration entities and the private-enterprise sector.
Table 1
CAF-related activities and initiatives in Poland

<table>
<thead>
<tr>
<th>Tool or activity</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publications of CAF (e.g. brochures) and on CAF (e.g.</td>
<td>CAF was officially translated into Polish 2006</td>
</tr>
<tr>
<td>articles)</td>
<td></td>
</tr>
<tr>
<td>Pilot CAF-based projects</td>
<td>5 projects covering self-assessment, planning and implementation of</td>
</tr>
<tr>
<td></td>
<td>improvements</td>
</tr>
<tr>
<td>Electronic application and evaluation tools</td>
<td></td>
</tr>
<tr>
<td>Special training on CAF</td>
<td>At the Ministry of Finance level, separate trainings are running, led by</td>
</tr>
<tr>
<td></td>
<td>the Office of the Civil Service</td>
</tr>
<tr>
<td>Seminars, workshops</td>
<td></td>
</tr>
<tr>
<td>E-learning</td>
<td>It is implemented in two e-learning training courses. The basic course</td>
</tr>
<tr>
<td></td>
<td>covers self-assessment with an online questionnaire. The advanced</td>
</tr>
<tr>
<td></td>
<td>course is on improvement-planning based on the self-assessment results</td>
</tr>
<tr>
<td>Individual advice and coaching</td>
<td>At the Civil Service Office</td>
</tr>
<tr>
<td>Quality conferences</td>
<td>Annual conferences of the International School of Quality in Poland where</td>
</tr>
<tr>
<td></td>
<td>CAF is promoted</td>
</tr>
<tr>
<td>Quality awards/contests</td>
<td>4 Polish organisations took part in the EFQM scheme “Levels of Excellence”</td>
</tr>
<tr>
<td></td>
<td>at level one, “Committed to Excellence”. They used CAF for their self-</td>
</tr>
<tr>
<td></td>
<td>assessment results</td>
</tr>
<tr>
<td>Database/good practice</td>
<td>Good practice database is run by the Umbrella Association of Consultants</td>
</tr>
</tbody>
</table>

At present, there are at least 38 registered CAF users in Poland; mostly tax offices under the Tax Chamber Warsaw. Initially the main reasons of CAF implementation in tax offices were minimising errors in tax returns, improving information availability, increasing employee satisfaction, creating high quality and a trustworthy image of tax civil service in the public’s view.

Case of the tax office in Plonsk: CAF the way to improved results

Self-assessment surveys are regularly (at least twice a year) conducted in the Tax Office in Plonsk with the aim to identify weak and strong points and select the most precious ideas for improvement measures. The CAF model has recommended itself as an appropriate and effective tool for these purposes.

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11 This case was extracted from “CAF Works” 2006, 11.
12 One of 51 tax offices under the Tax Chamber Warsaw.
13 Of course, the priorities in choosing improvement tasks are determined on the basis of the national tax strategies.
All employees of the Plonsk Tax Office are involved in the self-assessment process. The direct self-assessment is carried out by a permanent team consisting of 15 employees, the office being divided into 15 organisational units. This body consists of employees of all levels: the head of the office, department heads, independent employees and employees. The leader of the project, however, is the quality officer. Most employees and all team members underwent training focusing on the model, teamwork, principles of point evaluation and the RADAR logical system, the scoring panel of the EFQM Excellence model (which consisted of four elements: “Results”, “Approach”, “Deployment”, “Assessment and Review”). The first self-assessment was conducted under the supervision of external consultants, whose importance in the process of reaching a consensus cannot be underestimated.

Previous CAF self-assessment sessions in Plonsk helped to reveal insufficient use of business processes, information channels and partnerships with a view to supporting planning and strategy in the area of customer and employee satisfaction in the Tax Office. As a result, efforts towards customers and employees increased, particularly to reduce the number of errors in the submitted tax returns; to identify and fulfil the needs of less typical customers as well as to establish transparent rules in human resource management.

Improvement measures were conducted by task teams. They were coordinated by the quality officer and supervised by the head of the office. The results were included in the quality objectives. Collecting materials, analysis and devising projects took place during workshops. After discussing solutions with the quality officer, the team leaders submitted them to the head. The implementation of the projects was monitored by the quality officer. Tax information is promoted through cooperation with local authorities, schools, training and cultural institutions and employer organisations. Also information materials is sent to taxpayers, entrepreneurs and farmers, who are supported with trainings, also there is a number of different activities for other groups of stakeholders.

In order to ensure the sustainable acquisition of employees suitable for implementing planning and strategy through the most effective methods, a new recruitment procedure was designed and included in the quality-management system.

Some lessons to be learnt from Polish experience

The example above shows that CAF methodology was chosen in the Plonsk Tax Office to initiate a process of continuous improvement (Deming’s PDCA loop: Plan – Do – Check – Act – and Plan again). And it was (and is) their own free choice. The decision to use CAF was not a top-down directive, and it is not supported with

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14 As was mentioned in the Plonsk Tax Office’s best practice story for the CAF Resource Centre: “although it is more difficult to reach a consensus in a large evaluation group, it guarantees more objective results and makes it possible to receive more support for the implemented changes from the employees”.

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additional funding or resources. Being a management model, CAF is just a way of running organisations, a modern instrument of public management which could be used to improve the quality of service, the quality of processes and the quality of management.

The Polish case of CAF implementation provides an example of deployment quality instruments using a bottom-up approach. The essential attribute of such an approach is strong leadership. There should be persons who lead people and become a “driving force”. In such a situation, local best practice is distributed among other services, regions and then a critical mass of successful projects shows the right choice for the whole country – this initiative could be supported by the federal/central government. It is a long and difficult way. But … if there is no aim to prove the viability of CAF for someone else and just to use it for the improvement of one’s own activities, some positive results can be achieved: introducing a clear measurement system, employees’ involvement in team-working, getting customer feedback, benchmarking with other organisations, forming and accessing a best-practice database etc.

It is important to mention that in Umbrella, CAF users have a capable resource in promoting CAF methodology with its consultancy services in the field of quality management as well as its benchmarking best-management database.

Analysing feedback from Polish CAF users (Tax Chamber Warsaw, Tax Offices in Plonsk and Pruszków, Swietokrzyskie Voivodeship Office in Kielce, Municipal Police Headquarters in Legnica an others), some lessons to be learnt can be mentioned:

- One of the major barriers occurring is changes in legislation. Fast changes are accompanied by short transition periods for the new regulations.
- Poland is a country with insufficient access to the internet and electronic mail on the part of its society, and it is necessary to look for alternative solutions.
- It is difficult to reach consensus in a large self-assessment team.
- The CAF system should be implemented on a comparative basis, and the possibility of exchanging experiences with other users of CAF would help to avoid obstacles.
- Additionally charging the employees with tasks related to the self-assessment process should be a barrier. Evidences of improvement should be demonstrated to employees under self-assessment results.
- It is important to design appropriate questionnaires and templates to gather true and full information for analysis.
- On the one hand, it is hard to implement CAF without a central policy in this field, but on the other hand, such a “local initiative based” approach helps to
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avoid pure formal, unprepared implementation of CAF on the level of the whole country.

Russian CAF – Effective Public Service System “EPUS”

The concept of the Effectiveness Assessment Systems for Public Administrations “Effective Public Service” (EPUS) is a comprehensive TQM-oriented approach which is based on the Common Assessment Framework (CAF version 2006), the EFQM Excellence Model and the Model of the Russian Federation Government Quality Award\textsuperscript{15}.

The EPUS was developed with the purpose of assisting the Russian government in the administrative reform 2006–2008 fulfilment. The EPUS System is to solve the following issues:

• Raising efficiency and transparency of public-administration activities at federal, regional and local levels;

• Improvement of the quality of public services provided to the citizens, society and other stakeholders by administrative authorities of state, regions and municipalities.

EPUS was designed taking into account specific features of public service in the Russian Federation and internal legislation. EPUS gives a clear mechanism for performance measurement and identifying efficiency levels of public service in Russia. The deployment of the EPUS tools makes it possible to incorporate principles of customer orientation, employees’ involvement and continuous improvement in day-to-day activities of public authorities.

The EPUS system offers:

• Self-assessment and external expert assessment techniques;

• A decision-making toolkit (including software) for the analysis of self-assessment outcomes and identifying areas for improvement;

• Mechanisms for best-practice identifying, gathering and exchange through networking and benchmarking upon the EPUS multilevel database.

EPUS includes a number of specific innovation features:

• Establishment of expert councils (federal and regional) for external expert assessment and best-practice selection process;

\textsuperscript{15} The EPUS system is developed by the research team of Dmitry Maslov, Albert Korolenko and Victor Smirnov (all from the Russian Organisation for Quality (ROQ) Committee for Quality in State and Local Governments).
Modified CAF Model – EPUS, which is adopted to various functional types and hierarchical levels of public authorities through the proposed scheme of public service and changing weight among the nine criteria;

Two-sided self-assessment (managers-to-employees) approach;

Multilevel database and networking of regional benchmarking centres in seven federal districts of the Russian Federation.

EPUS scoring scheme

The EPUS scoring system is based upon the evaluation approach of the Russian Federation Government Quality Award, which incorporated a RADAR-based assessment scheme. But the EPUS model has variable weights of criteria depending on the functional types and hierarchical levels of assessing public authority. Thus to count the final score, different administrations use different coefficients. Such an approach allows feeling the difference and taking into account diversity in activities and the specific role of this or that authority for the state. On the other hand, the initial assessment of sub-criteria and criteria is calculated in per cent, and these results can be freely used for benchmarking and best-practice exchange.

The final score categorises the effectiveness of a public authority according to a 5-level scheme:

1. Ineffective activities (0–100 points)
2. Little effective activities (101–250 points)
3. Effective activities (251–500 points)
4. Highly effective activities (501–750 points)
5. Best (benchmark) activities (751–1000 points)

Two-sided self-assessment

The suggested two-sided self-assessment approach is a questionnaire-based survey with participants of two groups of respondents: managers and employees. The questions in the questionnaire are harmonised with the nine criteria of the EPUS model and are identical for both groups of respondents. The assessment scheme has a 5-point evaluation scale (from “1” {poor activity demonstrated} to “5” {best practice level activities})

Objectivity of results is achieved by surveying more than 90% of the managers and no less than 70% of the employees.

The advantage of the two-sided assessment is the opportunity to determine if the managers’ thinking corresponds to employees’ opinions. The average manager’s evaluation (Iman.av.) of criteria is compared with an appropriate average employee’s evaluation (Iemp.av.). The Management Adequacy Index (MAI) is calculated with the help of the following formula for each of the nine criteria (it can also be calculated for each of the 28 sub-criteria):
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The Management Adequacy Index shows the level of accordance between managing decisions and its perception by the employees. The value of the Management Adequacy Index varies from “–1” up to “1”. The manager can determine whether the management decisions are effective or not.

The zone of adequate estimation of management system \([-0,1; 0,1]\]≤≤: This zone characterises an adequate employee perception of managerial decisions; managers and employees are guided by identical principles in the work that promotes harmonious development of the organisation. In such a situation, managers have a good chance for improvements.

The zone of underestimation of management system \([-1; –0,1]\]: The underestimation zone reflects insufficient leadership by managers. There are hidden opportunities for improvements in the management system. Employees have evaluated performance higher than managers. It is necessary to use this situation for updating management policy and starting improvement processes.

The zone of revaluation estimation of management system \([0.1; 1]\]: This zone of revaluation reflects divergences of managers’ and employees’ opinions concerning business activity in this field. In such a situation, the majority of the administrative decisions may result in internal resistance by employees.

An important element of the self-assessment methodology is the Index of Inside Employees Consent (IIEC) which shows the polarity of judgments by employees. The dispersion of employees’ evaluation is defined for each of the mentioned criteria; also IIEC can be calculated for each of the 28 sub-criteria using the following formula:

\[
IIEC = \frac{n \sum (I_{emp.i})^2 - (\sum I_{emp.i})^2}{n^2},
\]

where

\[IIEC\] – Index of Inside Employees Consent;
\[n\] – Number of the employees in the survey;
\[I_{emp.i}\] – Employee evaluation;

\[MAI = \frac{Iman.av. - Iemp.av.}{5},\]

where

\[MAI\] – Management Adequacy Index;
\[Iman.av.\] – Average manager’s evaluation, points;
\[Iemp.av.\] – Average employee’s evaluation, points;
\[5\] – Max score.
The analysis of employees’ responses with help of IIEC makes it possible to define two zones:

1. Zone of unity [0–1] means equivalence of employees’ judgments pertaining to the given problem.

The categories of which employees have given an equivalent estimation have greater potential for fulfilling effective changes, since managers and employees are on the same wave length. The categories from the zone of polarity require analysis for the reasons of disagreement, otherwise any improvement plans will be poorly perceived by employees, and the productivity of changes will be low, or the effect will be negative.

Further analysis of the survey results is based on revealing correlations between the factors of management adequacy and a factor of consent among the employees. The matrix of areas of improvement abilities (figure 2) is used to identify where the most efficient and effective managerial actions can be taken.

Figure 2
Matrix of four areas of improvement abilities

Depending on the zones, the point with coordinates \((MAI; IIEC)\) and the degree of improvement abilities is estimated. There are four areas of improvement abilities:
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1. Effective – the efficiency of improvements is high.
2. Sure – high probability of improvement.
3. Available – all improvements require a detailed preparation with preliminary analysis.
4. Problem – improvements should begin after studying unsatisfactory MAI and IIEC.

Relying on the results of the two-sided assessment, managers identify good practice and areas for improvement. Managers make additional analyses of weaknesses and describe good practice for further sharing, learning and benchmarking using the brainstorming and pro-forma methods.

Expert assessment and best-practice database

An expert assessment plays several roles:
1. To confirm self-assessment results and give an expert conclusion;
2. To help managers in planning improvement activities;
3. To identify and select best practice stories for the EPUS database.

Expert councils are to be formed in each region (subject of federation) with the head expert council at the federal level. The head expert council creates expert groups for expert assessment of federal-level authorities. The regional expert council creates expert groups of 7±2 professionals (3 of them must be from a different regional expert council) to provide expertise in its region including regional and local authorities.

The confirmed assessment score for each administration as well as their best-practice input are stored in the EPUS multilevel database, the structure of which is presented in table 2.

<table>
<thead>
<tr>
<th>Database level</th>
<th>Responsible person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal</td>
<td>Head of the region (Subject of Federation)</td>
</tr>
<tr>
<td>Regional</td>
<td>Senior federal inspector</td>
</tr>
<tr>
<td>Federal district</td>
<td>Plenipotentiary of the President of Russia</td>
</tr>
<tr>
<td>Russian federation</td>
<td>Head of the administration of the President of Russia</td>
</tr>
</tbody>
</table>

All information in the EPUS database should be free for all stakeholders and accessible at the EPUS website. Additional technical and organisational support as well as infrastructure for sharing learning and benchmarking in the public-service
sector should be based upon EPUS centres in each region of the Russian Federation.

**Milestones of the EPUS development**

The EPUS concept is now being discussed by public authorities at all levels (including federal ministries and President administration), educational institutions (e.g. Russian Academy of State Service), quality-related organisations and communities (e.g. Russian Organisation for Quality) and other stakeholders.

At present, there are several examples of pilot practical implementation of CAF-EPUS at the regional level. In 2005, the World Bank planned introducing the CAF model in the Southern Federal Okrug (in particular Kalmykia and Kabardino-Balkarya) but results were not widely presented.

The first practical implementation of the EPUS system took place in 2006 in the election commission of the Ivanovo region. There were two phases of the self-assessment process. During the first phase, 30 employees (nearly 90 per cent of staff) were involved in a questionnaire survey which was conducted electronically by the “State Automatic System ‘Elections’”. The second phase was a diagnostic self-assessment within the executive team of five people including the chairman of the commission. For a detailed revision of 28 EPUS criteria, the EFQM pro-forma method and the scoring system of the Russian Federation Government Quality Award were used.

At the stage of result analysis, the employees’ assessment was compared with the executives’ assessment. It allowed identifying areas for improvement more correctly. Employee teaching and learning was chosen as a priority improvement area. As the chairman of the commission Victor Smirnov commented on his pilot self-assessment “it allowed us to measure a level of efficiency, to see potential of our activity and to understand where to start improvements. Unfortunately this experience does not give an opportunity to explore main EPUS advantages, I mean benchmarking with our colleagues from other regions as well as best practice exchange that could help many public administrations in their excellence journeys”.

Besides local implementation cases, first steps have already been done on the federal level.

EPUS system was introduced in spring seminars this year to representatives of Rusarchive, the Ministry of Economic Development and Trade, the Ministry of Finance, the Ministry of Culture within the Public Sector Institutional Reform (PSIR) project in Russia\(^\text{16}\). Also the CAF Resource Centre recommended EPUS as a Russian interpretation of CAF for implementation in CIS countries.

Conclusion and recommendation

In 2005, in one of its analytical reports concerning prospective instruments to use within institutional reforms in Russia, the World Bank recommended for the Russian government to introduce the Common Assessment Framework. In 2006, a Russian version of CAF – the EPUS system – was introduced inspired by the dynamic development of CAF in Europe as well as the good results which were achieved by hundreds of European public administrations.

The proposed EPUS system does not oppose current approaches which are deployed now within the framework of administrative reform in Russia. EPUS is not a substitute – it is a supplemental product which aims to cover a gap in the methodology of building a high-quality management system for the whole state. It is the right time to make the governmental approach more comprehensive. Separate fragments like standardisation, management by results, informatisation are not sufficient for achieving such high targets concerning efficiency, transparency and quality of public service that have been declared by the President and government of Russian Federation. To avoid a “prison” of formal standards and pretend improvements, the Russian government needs not a discrete but a comprehensive policy of quality for public administrations.

Seven years of European experience, in particular the Polish cases disclosed in this paper, show that the CAF movement is mostly inspired by local leaders, quality-management enthusiasts and does not have strong support with federal CAF-related policy, which should not be only about funding; it is expected to provide organisational, informational and strategic support. The “Umbrella Project” can be considered a good practice from Poland to transfer into Russian public-management practice. Being a governmental initiative, this institute involves quality-management specialists in creating a nation-wide quality management system. An Umbrella-like institute is absent in Russia; this is the point of criticism from the author’s side, which he consistently develops in his interviews and publications (CIS 2007, 18–22; Maslov 2007, 76–80). Quality professionals are not practically involved in the administrative reform’s processes. From the author’s point of view, it is very imprudent and prodigal to ignore such a significant resource. The potential contribution of national professionals in the field of quality management could much help the Russian government in the administrative reform programmes in addition to current assistance from European consultants and engaging Russian civil-service professionals. A structure like Umbrella could be established in Russia on the basis of the Russian Organisation for Quality, which leads most quality initiatives in Russia and unites first-range national quality specialists.

Today’s Russia is several steps behind Europe in the quality and effectiveness of public management and civil services. The proposed EPUS approach based on the CAF model is expected to be a standard in Russia. The two main instruments
of the EPUS system – self-assessment (which is about people) and benchmarking (which is about innovation and learning) – could ensure the success of the administrative reform and a number of other institutional reforms in Russia.

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Migration Processes in Contemporary St. Petersburg

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This article is devoted to an analysis of the contemporary migration processes in St. Petersburg as well an analysis of the program “Tolerance” (“The program on the harmonization of interethnic and intercultural relations, the prevention of xenophobia, and strengthening of tolerance in St. Petersburg, 2006–2010 ‘Tolerance’”) as an example of the implementation of regional migration policy in St. Petersburg.

The article infers that St. Petersburg, as one of the biggest magnets in Russia for immigrants/migrants from the CIS and other countries, faces rapid changes in ethnic composition. The proliferation of new “Diasporas” in St. Petersburg over the last almost two decades has demonstrated their growing viability and visibility. This cultural and social phenomenon is completely new for Russia because the characteristics of some of these Diasporas are segregation, social and labor isolation, and a lack of effective social integration. The host community, for its part, demonstrates a high level of intolerance towards these groups of newcomers. All of these contro-

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verses create risks and conflicts, including extremist activity, especially under the conditions of increasing migratory flows, ineffective federal migration policy, and limited regional migration policy.

1. Demography, migration dynamics and ethnic composition of St. Petersburg

St. Petersburg is one of largest cities in Europe, and in the middle of the 20th century, it began facing the major problems that accompany the development of most European cities with a multi-million person population – a high level of mortality, a low birth rate, the predominance of single-child families, and a high proportion of older people in the population, which results in large migration flows.

Historically, St. Petersburg has always had problems with population reproduction. The growth of its population has been achieved only by migration flows. After the collapse of the Soviet Union, negative trends in the demographic sphere intensified. Since the 1990s, and until recently, the population of St. Petersburg has rapidly decreased. At the beginning of 1991, the population of St. Petersburg’s population was 5,007,500 people. At the beginning of 2008, the permanent population of St. Petersburg was 4,568,000 people, and in 2009, it was 4,591,000 people. The main cause of the population decline from 1991 to 2008 was natural decrease (the number of deaths was almost double the number of births) which could not be offset by an increase in migration and which hastened the process of depopulation.

In the period from 2007 to 2008, the demographic situation in St. Petersburg saw some improvement. The main positive trend in the demography of the city was incipient population growth. However, this increase was due primarily to a significant increase in the rate of migration. (See: Statistics provided by Government of St. Petersburg http://gov.spb.ru/day/statistika/stat (Accessed on March 23, 2010).

St. Petersburg is a very dynamic city with a growing economy that needs migrants for its further development. In St. Petersburg, the quota for the legal foreign labor force is growing every year. In 2007, it was 130,000 people, while in 2008, it was 235,000 people. For 2009, the companies of St. Petersburg required 251,000 people, but because of the crisis, the number of migrant positions was decreased by 181,000. (see http://www.rosbalt.ru/2010/01/26/707270.html) In reality, however, the number of foreign migrants, both legal and illegal, is much higher. According to the Federal Migration Service, in 2007, St. Petersburg re-

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3 If reproduction of the population is understood only as its natural movement, i.e., the succession of generations of people based on birth and death rates, as well as “their movement in the demographic area”, then there is a transition of generations from one age group to another, with a gradual reduction of their original value (Rybakovsky, 1987, 11–13).

ceived more than 600,000 migrants, and in 2008, more than 700,000, “while only 158,000 left.” (Molchanov 2009)

The quota for migrant workers shows not so much the objective needs of the city in terms of its labor force, but how many migrants, who are carriers of different cultures, the city can integrate. Since the mid-2000s, the structure of the migration flow to Russia has gradually changed: the share of labor migrants from Ukraine and China is declining, and the countries of Central Asia (Uzbekistan and Tajikistan) and the Caucasus region are now among the leaders; the religious composition of migrants is also changing – about 41% of migrants are Muslim or come from Muslim countries; nowadays, 70% of migrant workers come from small towns and villages, rather than large cities and capitals; the educational level of migrants is rapidly decreasing – half of the newcomers have no professional education; and the percentage of workers who speak Russian at a basic level is declining as well.6

According to Helena Dunaeva, chief of the Federal Migration Service for St. Petersburg and the Leningrad region, most labor migrants come from Uzbekistan (96,500), Ukraine (48,000), Tajikistan (47,000), and Moldova (29,000), but these numbers often vary according to the source.

In addition to foreign migrants, St. Petersburg attracts a significant number of internal migrants from the national republics of Russia. And, as it turns out, many of them are also bearers of different cultures and traditions. Altogether, the social norms of the city are going through a complex change.

Tamara Smirnova, the leading specialist in the field of interethnic relations in St. Petersburg, highlights the expansion of ethnic differentiation in St. Petersburg, accompanied by significant changes in the balance of ethnic groups at the end of the 20th century. Since St. Petersburg was founded in 1703, it has developed as a multi-ethnic and multi-religious city. However, it is not that obvious that cultural and ethnic diversity has been an essential feature of both post-revolutionary and modern St. Petersburg. According to Tatiana Smirnova, “The vast majority of the city’s population has always been Russian, but the number of representatives of other nations has not been less than 6% since the first quarter of the 18th century … In the late 1980s, almost five million people lived in Leningrad and, among them, 89% were Russian and the remaining 11%, which was about 550,000 people, belonged to almost 130 different nationalities, although about 4,000 people did not identify their nationality.” (Smirnova 2007, 36) According to the All-Russia population census of 2002, there were 170 different nationalities in St. Petersburg. The Slavs (Russian, Ukrainians, Belarusians, Poles, Bulgarians, Serbs, Czechs, Slovaks) were the

5 Up to three quarters of all migrants arriving in Russia from CIS countries are migrants from the countries of Central Asia and Transcaucasia (Boykov, 2008, 34).
6 From the report of E. V. Tyuryukanova at a meeting of the Scientific Council of the Federal Migration Service in Moscow on 10 April 2009.
largest group, the total number of which was about 4.1 million people (88% of the population). Ethnic Russians made up approximately 84.8% of the Slavs.

Given the current situation, Smirnova argues that the following factors are important: First, the proportion of the “old,” urban population has rapidly decreased, while the “new” population made up of migrant workers from the former Soviet countries, as well as internal migrants, has grown quickly. Second, the proportion of ethnic Russians has decreased by over 500,000 people and is now less than 85% of the population, while the total number of other ethnic groups has increased up to 712,000 people, which is over 15% of the population. Third, the ethnic heterogeneity of the population has grown to include more than 170 different nationalities. Fourth, the proportion of the historically largest minorities (Ukrainians, Belarusians, Jews and Tatars) has been significantly reduced by 30 to 60%. Fifth, ethnic diasporas have formed, including Chinese, Japanese, Vietnamese, Afghan and African migrants. Sixth, there has been a marked increase in both permanent and temporary migration from the countries of the Caucasus and Central Asia. (Smirnova 2007, 39)

These factors are a new phenomenon for the city and can be a source of many potential conflicts, including ethnic ones, accompanied by a high level of intolerance and extremism.

2. The challenges of migration: Xenophobia and extremism

New migrants/immigrants in St. Petersburg display different cultures and behaviors. Moreover, migrants from Central Asia, Moldova, China, Vietnam and the Caucasus usually intend to settle compactly. There is also a division of labor based on the workers’ nationalities. (Mikhailov et al. 2008, 240–241)

The practice of squeezing migrants out of the public sphere, as well as the private space of other citizens, results in their subsequent marginalization and ghettoization. The marginal position of the new migrant Diasporas contributes to their greater internal cohesion based mainly on an ethnic, religious and linguistic basis. In St. Petersburg, income inequality and social stratification lead to a tendency towards sustainable “microghettoes” of labor migrants/immigrants.

This process cannot proceed all that quickly because of specific features of large Russian cities (including St. Petersburg) – with multi-story buildings and low mobility of the population, the creation of isolated ethnic ghettos is not yet possible. (Mikhailov et al. 2008, 57) However, due to certain low-status areas and the availability of cheap housing, there are signs of a convergence on the maps that reflects housing cost, which is a sign of estate segregation, and that reflects the resettlement of labor migrants/immigrants. FMS experts say that the places of mass settlement
for migrants in 2009 were the Krasnogvardejsky and Nevsky districts, and partly the Admiralty district.\footnote{Available at \url{http://www.rosbalt.ru/2010/01/26/707270.html}.}

Nowadays, in many countries, ghettoization or self-segregation can be considered natural in relation to migrants because it helps arriving migrants adapt to the new conditions of residence and employment.\footnote{Particularly strong intra-group relationships develop among the Highlanders: a high level of intra-group solidarity and mobilization exists in the community “due to their social experiences within the function of rural communities” (Karpov, 2008, 114). In light of a desire to preserve and cultivate their cultural identity, further integration into the host community becomes extremely difficult for some migrants.} But the labor migrants’ need for temporary protection and help is likely to lead to further involvement in the informal shadow economy (including the criminal sphere).\footnote{http://www.baltinfo.ru/tops/Peterburg-perepolnen-gastarbaiterami-prirost-200-tys-v-god-107461. At a press conference on 1 October 2009, Elena Dunayev, Head of the Federal Migration Service in St. Petersburg and Leningrad region, noted that the proportion of crimes committed by labor migrants in St. Petersburg does not exceed 2.2% of the total number of offenses: “As a general rule, it is robbery and theft, less often – the spread of drugs. In the latter case, citizens of Tajikistan are mostly responsible, due to the specifics of the country whence they came.”} Also, “intra-solidarity forces migrants to follow certain rules because of rigid social control. Without a need to establish their own contacts with the host society, migrants’ potential social mobility is reduced, and the speed of their adaptation [into St. Petersburg host society] is slowed.” (Vendina 2005, 64)

In their everyday life, they are deprived of chances to communicate with the local population. In this case, the traditional culture of migrants plays a very significant role. Therefore, the preconditions for conflict are rooted not so much in economic competition as in the sphere of socio-cultural difference. The situation there is one of rapidly changing ethnic composition (imbalance), a lack of integration mechanisms for migrants and a resulting increase in the level of xenophobia.\footnote{According to the Russian Public Opinion Research Center (VCIOM), between 2005 and 2008, more than 42% of people polled believed that the representatives of “unreliable” ethnic groups should be forcibly evicted. Polling data confirmed that Russian society has considerable potential for national intolerance. Almost two-thirds of respondents (62%) believed that it was necessary to limit the entry into Russia of people of certain nationalities, and only 24% believed that this should not be done. According to VCIOM, in June 2008, Russian citizens “seriously considered migration. About 55% of respondents believed that the government should limit the influx of foreign, unskilled labor by tightening entry and registration requirements. Another 26% believed that the government should prevent the high concentration of migrants in the cities and regions of Russia that have a predominantly Russian population. Only 14% of respondents supported the legalization of migrants and increased legal protection for migrants, while only 13% supported the improvement of labor conditions for migrants.” (See: \url{http://wciom.ru/arkhiv/tematicheskiiarkhiv/item/single/10319.html?no_cache=1&cHash= e052ea171f})}

According to public opinion polls, the indigenous peoples have a firm negative attitude towards newcomers in Russia generally and St. Petersburg specifically.
There, the residents demonstrate a negative attitude towards not just transnational migrants/immigrants (migrants from Central Asia, Moldova, China, Vietnam, the Caucasus, etc.), but also to Russian citizens from the titular republics (especially from the North Caucasus region) because they are “visible minorities.”

An objective assessment of the current situation in international relations indicates that there is a high level of intolerance towards newcomers. According to the Russian Public Opinion Research Center (VCIOM) in 2008, 75% of people in St. Petersburg had a negative attitude towards migrants. Because there is not much of a gap between having a negative attitude towards migrants and taking action against migrants, St. Petersburg (as well as Moscow) has a leading positions in the number of crimes committed by national extremist groups on a racial or ethnic basis.

However, it is not really fair to assume that only the indigenous residents of St. Petersburg demonstrate intolerance. A large number of migrants have no experience living in a multiethnic environment because many come from more traditional, closed societies, or rural areas, where acceptance of alternative lifestyles, as well as respect for other cultures, is not always taught. It is unfortunate that scholars have not done any serious sociological research to determine the level of intolerance among migrants from abroad, both legal and illegal, as well as internal migrants from the national republics of Russia. By rough estimates, “over three-quarters of migrants from the Caucasus region make efforts to preserve their culture and strictly adhere to ethnic traditions and rituals, which means that they do not have any motivation for acculturation, or to change their original cultural values and behavioral patterns as a result of contact with another ethnic community (mainly Russians).” (Xenophobia, Achkasov, V. A. and Mutagirov, D. Z. (eds.). 2008. Xenophobia in the Modern World. St. Petersburg: St. Petersburg State University, 115–116) This information should serve as a wake-up call for policy makers and scholars about the danger of the emergence of reverse ethno-national extremism.11

3. The regional migration policy in St. Petersburg: the implementation of the principles of tolerance (program “Tolerance”)

In order to improve interethnic and intercultural relations, the government of St. Petersburg adopted a program called “The program on the harmonization of interethnic and intercultural relations, the prevention of xenophobia, and the strengthening of tolerance in St. Petersburg, 2006–2010” – called “Tolerance” for short – on

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11 For example, in Moscow a gang called “Black Hawk” formed, which, according to the central investigation department of the Moscow police, was related exclusively to the Azerbaijani diaspora and consisted of about 10 people (all between 17 and 19 years of age and students of the Moscow law schools). On 6 May 2008, they attacked young people of Slavic appearance in the Moscow metro. Officially, the main reason for the commission of crimes by members of the gang was in reaction to the actions of skinheads (cf. Infox.ru on 16 June 2009).
11 July 2006. In essence, this program determines government policy in the sphere of interethnic relations in St. Petersburg. It is a very valuable program because it is aimed at reducing the prevalence of ethnic prejudices among young people, consolidating the multiethnic population of St. Petersburg on the basis of a supra-ethnic Russian identity and creating conditions for the establishment of tolerance in all areas of intercultural and interethnic collaboration.

The program is designed to change public opinion so that residents of St. Petersburg do not view people as representatives of different ethnic groups and diasporas, but as Petersburgers of different nationalities. The main slogan of the program is “St. Petersburg unites people.”

This program is an example of the implementation of regional migration policy. In accordance with the provisions of the Federal Law “On the Legal Status of Foreign Citizens in Russia,” regional authorities of Russia are very limited in implementing their own projects in the field of migration policy. Regions cannot independently determine the number of migrants they will accept and cannot change the legal status of migrants, etc. At the same time, regional authorities within their competence may, in addition to providing suggestions to the federal government on the liberalization of immigration laws and increasing the migrant quota, decide the important task of migration policy, take measures to combat xenophobia in the host society, contribute to the social adaptation and integration of migrants and provide the programs on teaching the basics of the Russian language.

3.1 The conceptual foundations of the program “Tolerance”

The program is similar in spirit to the Declaration of the Principles of Tolerance by UNESCO. Conceptually, the program is based on the principles of multiculturalism. The dominance of the multicultural model in the program confirms the fact that the target group of the program does not really include migrants. The program is mostly aimed at providing a range of activities to promote a higher level of tolerance among the compact group of indigenous people of the city. Most of these programs are aimed at youth. In this context, the program has a pretty narrow focus. The program declared that it was going to negotiate “inter-ethnic and interreligious hostility and intolerance,” but only mass cultural events were selected as the basic


13 Article 3, “Legislation on the Legal Status of Foreign Citizens in Russia.” Legislation on the legal status of foreign citizens in Russia is based on the Constitution and consists of this Federal Law and other federal laws. In addition, the legal status of foreign citizens in Russia is determined by international treaties.

14 See “Resolution of the Government of St. Petersburg,” 20 July 2007, No. 884 “On the Concept of socio-economic development of St. Petersburg until 2025,” section 3.1.2. “Migration.” Available at http://gov.spb.ru/law?doc&nd=8453965&nh=0&ssect=0&c=%CF%5D0%5C%CB%5C%0%CD%5C8%0%CE%5C2%5CA%5C0.
methods to overcome these negative trends. Of course, this can be explained by practical observation – the final success of a migrant’s integration depends not only on his or her educational level or the level of socio-economic development in the host community, but on the openness of the host society towards migrants. Discrimination is one of the major factors hindering the integration of migrants, so tolerance among the members of the host society is of paramount importance.

The program is aimed at increasing the level of tolerance in the city, but tolerance does not imply the willingness to interact with the “other,” and it may well be limited tolerance. In this regard, the program aims to meet the ethnic and cultural demands of the people of various nationalities, beliefs and religions who are already in Petersburg.\(^{15}\) It increasingly excludes migrants, and does not focus on the mechanisms for positive interaction with the “other.”

It is unfortunate that the problem of migrant integration and adaptation is not a priority in the program “Tolerance” and is not supported by a set of related activities. It is only formally referred to in paragraph four (“Program methods for achieving goals and objectives”) of the program on the adaptation and integration of migrants – “Development and implementation of social projects that promote the integration of migrants in the Petersburg community and that address the ethnic, cultural and religious needs of citizens.” Also, the list of measures for the phased implementation of the program, in subsection five, does not refer to migrants at all.

It is very significant that interaction with migrants is described in detail only in paragraph 7 of section 6, which is called “Improving the rule of law and order in the sphere of interethnic relations in St. Petersburg. Promoting the adaptation and integration of migrants into the cultural and social spheres of St. Petersburg.” Thus, the issues of law and order, which belong to law-enforcement agencies, are closely linked with the issues of adaptation and integration of migrants. If we analyze the section title and its content, it turns out that the adaptation and integration of migrants are considered the job of law-enforcement agencies. The content of section 6 confirms the general trend that migrants are seen as the problem of security and law-enforcement agencies, including the Federal Migration Service and the Ministry of Internal Affairs.

However, to reduce the discomfort that Petersburgers feel due to the presence of migrants in the city, the program needs to lay out clear steps to integrate migrants into the socio-cultural environment of the city. Such actions are beginning to take place in St.

Petersburg through the Action Plan for the implementation of state migration policy in St. Petersburg from 2009 to 2011, where migrants are the target group.

### 3.2 The major events of the program

The main thematic emphasis of the program:

- Developing a culture of tolerance through the education system (more than 1,500 events)
- Strengthening of tolerance and preventing extremism among young people (more than 1,000 events)

Most of the events provided by the program were mass cultural, social and scientific events (festivals, exhibitions, concerts, citywide events, scientific conferences, round tables, social posters on the streets of St. Petersburg) and could be considered important cultural events for the city, but only partially as specific measures for extremism prevention or migrant integration.

For example, within the framework of the program the following projects took place: a Youth Festival called “Cultural capital – a culture of peace;” a round table on “Russia – our common home;” exhibitions called “We are all of Saint Petersburg – we are all countrymen,” “Multinational Petersburg, Festival of International Students,” and “Golden Autumn;” a mini-football tournament among the youth national-cultural associations of St. Petersburg; a “Festival of Fireworks and national cultures;” conferences called “Tolerance, this applies to everyone” and “Tolerance and intolerance in contemporary society: perspectives and reality;” the publication of a calendar depicting various ethnic celebrations; public service ads on the streets; a presentation of Russian customs, habits, and traditions; and a round table called “Interethnic dialogue: the role of youth” (See Appendix).

An important component is the focus on children and youth. Since 2007, lessons of tolerance have been taught in schools, and since 2009, in kindergarten classes. There are also courses for journalists, teachers, university teachers, kindergarten teachers and public servants.

The pace of implementation of the program is very intense. In 2007, under its auspices about 3,000 activities took place, and in 2009, more than 4,000. In many ways, the program is simply holding a series of activities without the direct participation of migrants/immigrants. But the activities are connected with the target group, because the program is designed for St. Petersburgers. This is largely due to the prevailing attitude of the Government of the city – working with migrants (especially labor migrants) to achieve their integration and adaptation is the task of diasporas. As a consequence of this attitude, the program does not pay attention

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to the basic mechanisms for the adaptation of migrants and their children, including learning the basics of the Russian language. For a comparison, a list of program activities with indicators of financial costs is presented below:

<table>
<thead>
<tr>
<th>Selected activities</th>
<th>Time frame</th>
<th>Funding from the budget of St. Petersburg by year, in thousands of rubles/thousands of dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Develop and implement a special program for socialization (adaptation) of the children of migrants, use the existing education system to build a unified St. Petersburg adaptation program</strong></td>
<td>2007–2008</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td>150.0 ru</td>
</tr>
<tr>
<td><strong>Organization of special courses and modules on professional development for teachers at schools, high schools and colleges on issues of intercultural communication and tolerance education in educational institutions of St. Petersburg</strong></td>
<td>2007</td>
<td>In the framework of recent funding</td>
</tr>
<tr>
<td><strong>Monitor the activities of informal youth associations, provide advice and practical measures to reduce the recruitment of young people into informal extremist youth associations</strong></td>
<td>Continuing</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1,100.0 ru</td>
</tr>
<tr>
<td><strong>Prepare an analytical review of the St. Petersburg Russian media on the state of interethnic and interfaith relations in St. Petersburg, reflecting both positive and negative trends as well as material evidence of the manifestations of xenophobia, ethnophobia and other types of social intolerance in St. Petersburg</strong></td>
<td>Annually</td>
<td>2006</td>
</tr>
<tr>
<td></td>
<td></td>
<td>600.0 ru</td>
</tr>
<tr>
<td><strong>Organize and conduct a citywide exhibition called “Multinational Saint-Petersburg,” dedicated to the cultures of the different nationalities living in St. Petersburg</strong></td>
<td>2008–2010</td>
<td>~</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3,000.0 ru</td>
</tr>
<tr>
<td><strong>Total funding of the program</strong></td>
<td></td>
<td>314,384.0 ru</td>
</tr>
</tbody>
</table>


The basis for effective and positive communication and intercultural dialogue is a common language. Since a large number of migrants do not speak Russian, the lack of a common language has become an obstacle for establishing positive communication. As mentioned before, in some areas of St. Petersburg, 30 to 40% of migrants’ children do not speak Russian (Stroinova, 2008). And in some schools in the Admiralteisky, Centralny, Kalininsky, Vasileostrovsky, Pushkin and Kirovsky districts, the number of schoolchildren who do not speak Russian reaches 50%. This is an important factor that contributes to the isolation of migrant groups and can result in their “ghettoization” since it prevents their integration.

In many ways, schools, universities, civic organizations, libraries, museums, foundations, media and municipalities play a great role in implementing the program, which can be directly and indirectly attributed to the institutions of civil society. Due to a lack of consolidation, development and activity in the sphere of civil society in Russia, the process of educating the population and promoting the principles of tolerance in society is not progressing as rapidly as hoped.

The intermediate results of the program “Tolerance”

After almost three years of intensive work, the program’s activities could be considered mass cultural, social, sporting and scientific events, which have not affected the prevailing negative attitudes towards migrants or crime indicators for crimes motivated by ethnic and religious hatred and enmity.

According to Valery Tikhonov, Deputy Governor of St. Petersburg, crime indicators for extremist crimes committed by young people decreased only by 10 percent in 2008. This statistic should be placed against the backdrop of a significant reduction in the overall rates of juvenile crime in St. Petersburg (Poletayev 2008). According to the deputy prosecutor of St. Petersburg, the official statistics do not look too pessimistic. In 2009, 9 crimes based on ethnic issues were recorded in St. Petersburg; in 2008, police recorded 16 crimes based on ethnic issues; while in 2007, there were only 10 such crimes (Akopov and Rozanova 2010, 266). Also, as we mentioned above, in 2008, the proportion of people in St. Petersburg who had a negative attitude towards migrants was 75%.

However, year-by-year, the situation is changing. At the end of 2008, no more than 18% of the population of the city was aware of the activities done within the framework of the program. The number of participants at local events throughout the city also remained low - between 3 and 4%. An average of 3% of residents attended the lectures, seminars, roundtables and trainings, while 4% attended the theater events, concerts and exhibitions. In 2009, positive changes were observed.

In one way or another, more than 30% of the population (about 1.5 million) knew of the program. According to experts, this increase in awareness reduced the level of social distance in the population and created a substantial interest in multiethnic and intercultural dialogue.

An important event that characterizes the importance of the program was the awarding to St. Petersburg of a UNESCO prize in November 2009 “for their constructive efforts to promote the principles of mutual respect and tolerance in a multicultural urban community.”

**Conclusions**

There have been many positive changes in migration policy in St. Petersburg in general. Migration policy has been recognized as an important part of domestic policy in the city. Moreover, many things have been done to prevent the spread of negative phenomena in this sphere, such as extremism and xenophobia.

It is clear that even the most efficient and sophisticated programs on tolerance cannot provide tangible results for several years. Reducing conflict in interethnic relations requires significant changes at the federal level, as well as the combined effect of several factors: a stabilization of the rate of migration in the long run; empowering regions to address issues of migration policy; education in the field of migration; an emphasis on the mechanisms for the integration of migrants; protection of migrants’ rights; a program on tolerance (or other attempts to overcome xenophobia); and the integration of migrants at the federal, regional and local levels, using a general approach through common channels of information (especially the media), and a targeted approach through work in small groups (school classes and youth clubs, etc.).

**References**


Appendix

Round Table “Interethnic Dialogue: the Role of Youth” as a positive example of the Implementation of the program “Tolerance” (more information is available at www.org-strategia.org).

The round table Interethnic Dialogue: the Role of Youth was held on 19 October 2007 in St. Petersburg. It had the financial support of the Committee for Youth Policy and cooperated with public organizations of the St. Petersburg Government within the program “Tolerance.”

This event was organized by the Center for Civil, Social, Scientific and Cultural Initiatives “STRATEGIA” for the participation of government officials, professors, experts, and the leaders of non-government youth organizations (including pro-extremist organizations).

The purpose of the round table was to start a dialogue between youth leaders, experts and representatives of public authorities on the issues of tolerance and intercultural interaction.

Program

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.00–10.45</td>
<td>Opening remarks by St. Petersburg Government Officials from the Committee for Youth Policy and Cooperation with Public Organizations. Introduction of experts and participants.</td>
</tr>
<tr>
<td>11.45–12.30</td>
<td>Antuan Arakelian. “Problems of Xenophobia with regard to Different Groups in the North Caucasus and St. Petersburg” Tamara Smirnova. “The Ethnocultural Composition of Contemporary St. Petersburg”</td>
</tr>
<tr>
<td>12.30–13.00</td>
<td>Coffee Break</td>
</tr>
<tr>
<td>13.00–14.45</td>
<td>Presentation of Socio-Political Projects and Programs by Socio-Political Youth Organizations from St. Petersburg Remarks by Experts and Government Officials</td>
</tr>
<tr>
<td>14.45–15.00</td>
<td>Coffee Break</td>
</tr>
<tr>
<td>15.00–16.00</td>
<td>Discussion and debate with experts, government officials, youth leaders and representatives of St. Petersburg diasporas on the following topics: • “Can We Harmonize Interethnic Relations in St. Petersburg Today?” • “St. Petersburg as a Multicultural City: Problems and Perspectives” Moderator: Anatoly Kozlov</td>
</tr>
<tr>
<td>16.00–17.00</td>
<td>Discussion of upcoming events for 2008 within the framework of the program “Tolerance” Closing Remarks</td>
</tr>
</tbody>
</table>

This event was divided thematically into three parts. The first part included reports made by the leading experts in the sphere of tolerance, interethnic relations, human rights and the prevention and resolution of youth extremism in St.
Petersburg. The second part included the presentation of socio-political projects and programs by various youth organizations in St. Petersburg. The third part was devoted to hot topics for St. Petersburg’s present and future: “Can We Harmonize Interethnic Relations in St. Petersburg Today?” and “St. Petersburg as a Multicultural City: Problems and Perspectives” with both debate and discussion.

During the first part, the panelists were some of the best experts in St. Petersburg on tolerance, interethnic relations, xenophobia, and the prevention of extremism:

**Galina Bardier**, Doctor of Psychology, Professor, Department of Psychology, St. Petersburg State University, Nevsky Institute of Language and Culture, St. Petersburg State University Center for Tolerance; **Anatoly Kozlov**, Doctor of Sociology, Professor, Head of the Department of Sociology of Youth and Youth Policy in the Faculty of Sociology, St. Petersburg State University, Honorary Worker in the sphere of youth policy in Russia, Full Member of the Academy of Science; **Tamara Smirnova**, Doctor of History, Professor at St. Petersburg State University of Aerospace Instrumentation, President of NGO “St. Petersburg House of National Cultures,” Honorary Worker in the sphere of youth policy in Russia; **Marya Rozanova**, Ph.D. in Philosophy, Associate Professor in the Faculty of Law, North-West Academy of Public Administration, the Head of the St. Petersburg public organization Center of Civil, Social, Scientific and Cultural Initiatives – “STRATEGIA;” **Antuan Arakelian**, Expert of the European Commission, the Council for the Commissioner of Human Rights in the Russian Federation (Ombudsman).

During the second part, youth organizations of St. Petersburg presented their socio-political projects and programs that were aimed at the harmonization of interethnic and intercultural relations, the prevention of xenophobia, and the strengthening of tolerance in the city. Among them were: “‘Other’ is not a Synonym for ‘Bad’” by the St. Petersburg youth political union “Apple;” “Festival of Friendship” by the St. Petersburg youth organization of the regional branch of the Liberal Democratic Party of Russia; “Harmonization of Interethnic and Intercultural Relations” by the St. Petersburg branch of the Movement Against Illegal Immigration; and “Lessons of Friendship” by the political movement “Nashi.”

The third and final part consisted of discussion and debate with experts, government officials from the Committee for Youth Policy and cooperation with public organizations, the Federal Migration Service, youth leaders and representatives of some of the St. Petersburg diasporas.

Afterwards, the proceedings of this round table were published and handed out at conferences under the program “Tolerance.”
Proceedings of the round table

*Inter-Ethnic Dialogue: the Role of Youth*

This book combines the proceedings of the Round Table *Inter-Ethnic Dialogue: the Role of Youth*, held on 19 October 2007 in St. Petersburg, Russia.

This book is divided into two parts. The first part includes articles written by experts in the spheres of tolerance, interethnic relations and youth extremism negotiation in contemporary Russia. The second part includes socio-political projects/programs from socio-political youth organizations of St. Petersburg.

Contents:

**Preface**

Lyudmila Pochebut, Doctor of Psychology, Professor, Department of Psychology, St. Petersburg State University, the Head of Research and Practical Institute of Psychology of Tolerance.

**Materials of Experts**


**Applications**

Antuan Arakelian and Olga Gushenevets. “The Results of a Survey on the Situation in the Sphere of Inter-Ethnic Relations.”

**Socio-Political Projects/Programs of Socio-Political Youth Organizations of St. Petersburg** aimed at the harmonization of interethnic and intercultural relations, the prevention of xenophobia, and the strengthening of tolerance in St. Petersburg:

- “Other’ is not a Synonym for ‘Bad’” by the St. Petersburg Youth Political Union “Apple”
- “Festival of Friendship” by the youth organization of St. Petersburg of the Regional Branch of the Political Party the Liberal Democratic Party of Russia
- “Harmonization of Inter-Ethnic and Inter-Cultural Relations” by the St. Petersburg branch of the Movement Against Illegal Immigration
- “Lessons of Friendship” by the youth political movement “Nashi”
E-Government Evaluation and its Practice in the Czech Republic: Challenges of Synergies?  

David Špaček, Ivan Malý

Abstract

In its first part, the paper discusses implications of definitions of modern public administration for current administrative practices. The role of evaluation as an inevitable part of all management activities is emphasized here. The issue of evaluation is further discussed in relation to the phenomenon of e-government in the second part of the paper, which focuses on selected foreign and Czech approaches to evaluation of public-administration electronization.

The aim of this paper is to introduce visible challenges of evaluation approaches which contradict an integrated managerial approach. Such an approach is necessary because of intersectoral features and the complexity of electronic public administration. The holistic approach is more heard than realized today. It is not only in the Czech Republic that a higher level of mutual integration of published results is almost missing. Such a situation inevitably questions the adaptability of central institutions which are responsible for coordination and thus also for coordinated and integrated evaluation.

1. Introduction

E-government evaluation represents a very topical issue today. Evaluation is always about discussing effectiveness as well as its preconditions and barriers. It may serve as an instrument for balancing supply and demand or narrowing the gap between outputs and outcomes. Evaluation is perceived as an inevitable part of managerial activities. It is a bridging issue between traditional bureaucracy and principles of modern public administration.

1 Faculty of Economics and Administration, Masaryk University, Brno, Czech Republic.
The aim of this paper is to introduce visible challenges of evaluation approaches which may be contradictory to an integrated approach. Such an approach is necessary because of the intersectoral features and the complexity of electronic public administration. In its first part, the paper discusses implications of definitions of modern public administration for current administrative practices. The role of evaluation is emphasized. The issue of evaluation is further discussed in the second part of the paper with regards to e-government and its evaluation in selected foreign approaches. The third part of the paper builds on the discussions, focuses particularly on Czech evaluation practices and proposes the framework for future research.

2. Public administration and e-government limitations

2.1 Public administration and implications of its modern definitions

Public administration represents a social, inter-sectoral and multidisciplinary phenomenon. Generally, it consists of a large group of institutions and activities of a specific kind of societal management. For purposes of this paper, public administration may be defined in a way that complies with approaches of Czech administrative law theory (e.g. Hendrych et al. 2003), Czech (e.g. Pomahač and Vídláková 2002; Hendrych 2003; Skulová et al. 1998) as well as foreign literature from the field of administrative science and public management (e.g. Stillman 2005; Rosenbloom 1994; Hughes 2003; Rouban 1999; OECD 1999; Nemec, Wright and Stillman 2002):

*Public administration is an institutional instrument of control and regulation that has been established for purposes of organization and management of people and resources to achieve functions of government or self-government. The definition and exercise of goals and tasks should be based on rationality (i.e. requirements of the new public management) and take into account the needs of citizens and other stakeholders in a more inclusive and participatory way (i.e. requirements of the concept of good governance).*

The used definition has various mutually interlinked implications. These implications comprise necessary guarantees of self-government. The definition also does not exclude the possibility to utilize institutions and individuals outside the public-administration system for delivering public services (through various channels like consultation, contracting-out, public-private partnership, privatization etc.). The definition emphasizes the main function of public administration – to guarantee and (therefore) to manage the realization of functions that are assigned to the public sector by political decision-making. Last but not least, the definition underlines the relationship between rationality and needs of society (stakeholders). This relationship requires certain managerial activities that would answer the key
question of Gaster’s model for quality: “how to balance the complex needs, wants and demands of individuals, communities and society as a whole, with the capacity, resources, legal requirements and technical abilities of organizations and individuals responsible for achieving good quality services?” (Gaster et al. 2003, 42). A similar question also resounds in excellence models (e.g. EFQM, or CAF) or in ideas of other instruments of the quality movement in public administration (see e.g. Caddy and Vintar 2002; Löfler and Vintar 2004; Gaster et al. 2003). Their general aim is to balance internal capacities of an organization with external requirements and capacities. Such a balance always requires a certain kind of evaluation.

Issues of evaluation are heard in discussions between private and public administration/management. According to Hughes, “the public sector has inherent difficulties in measuring output or efficiency in production. It lacks ‘bottom-line’ criteria analogous to profit in the private sector... Measurement and evaluation are possible in the public sector, but are more difficult and perhaps less meaningful. The lack of suitable measurement may enable parts of the public service to perform no useful function and to evade scrutiny” (Hughes 2003, 76). This skepticism does not mean that evaluation has no place in public administration. The issue of evidence-based policies is broadly discussed in this respect. Evaluation requirements spring for example from legal definitions of self-government. According to the Czech act on municipalities, a municipality cares for general development of its territory and the needs of its citizens. Analogies can be found in the Czech act on regions which have been representing higher self-governmental units since 2001. The law presupposes here that self-governments know of the needs of their citizens, therefore a certain kind of their evaluation practices is required.

2.2 E-government and its limitations: Quality management and evaluation deficiencies

2.2.1 Content of e-government terminology

The terminology that is used when speaking about electronization of administrative activities often emanates from the instrumental character of an electronic form. A vast amount of definitions works today mainly with terms like “e-government”, “e-governance”, or “e-democracy”/“e-participation”. In general, the used terminology always underlines various possibilities of electronic forms to serve as an alternative instrument of practically achieving improvements (outcomes) in many ways – e.g. by simplification, speeding-up, reduction of costs, enhancement of inclusion in public decision-making, control empowerment, making necessary administrative interactions and burdens more comfortable etc. Such improvements always relate to:

a) activities within the public administration system itself (within an individual authority or in interrelationships among multiple administrative subjects within the public administration system itself); and/or
b) external relationships between public and more or less integrated back-offices of a single administrative authority or various public-administration institutions (Špaček and Špalek 2007).

When one hears goals and proclamations of e-government programme-like documents of the political type (e.g. parts of information policies of a country, e-government actions plans) or reads provisions of legislation that shall realize them today (e.g. the US e-Government Act of 2002\(^2\), the Austrian Federal Act on Provisions Facilitating Electronic Communications with Public Bodies\(^3\), the Australian Online Information Service Obligations – OISOs\(^4\) – or the recent Czech “e-Government Bill”\(^5\)), one may become very optimistic about one’s future life with more comfortable, responsive and user-friendly forms of still existing public administration. Planned and proclaimed future forms of public administration must always be discussed with regard to traditional forms of public administration and to relevant factors which influence the quality of public management (administrative institutions and the system of formal and informal relationships, management practices of individual institutions and their intergovernmental implications, approaches of front-line employees etc.). Some implications have been described and elaborated by various authors. A brief summary of selected issues in the field of e-government evaluation follows in order to create a theoretical background for the later discussion of evaluation practices in the Czech Republic. The following discussion is important also in another respect – foreign approaches may be transferred to national practice without thinking about their obvious limitations.

2.2.2 ICT productivity paradox and contextual collision

In 2006, Willcocks and Lester were still elaborating their concept of the IT productivity paradox. They reminded us of the following opinion of Bakos and Jager from 1995: “computers are not boosting productivity, but the fault lies not with the technology but with its management and how computer use is overseen.” They warned us of the opinion of Farbey et al. (1995) about the key role of stakeholder judgment throughout any IT/IS evaluation process. Such requirements are underlined because “a large part of e-government projects are soft systems, which are often prone to perceptual inconsistencies among designers and users. This often leads to elegant system failure. This also has to match the ongoing changing pattern of rela-

\(^2\) Public Law 107–347, 107\(^{\text{th}}\) Congress.


\(^4\) See the following part of the website of the Australian Government Information Management Office: http://www.agimo.gov.au/information/oiso.

\(^5\) The full name of this bill is “bill on electronization of some procedural activities in the area of public authority bodies”. This Bill was approved by the Czech Government on 25 February 2008. The bill deals particularly with the conversion of written documents into electronic form, broader legalization of e-signature and partly also with unambiguous authorization of individuals in interactions with public administration institutions.
tions or interactions between government organizations, businesses, and citizens” (Gupta and Debashish 2003). Heeks discusses the concept of “contextual collision” in this respect. According to him, e-government systems have elements of context inscribed into them – elements direct from the designer’s context or elements misperceived from the users’ context that are mismatched to the actual elements found in the users’ context (Heeks 2004). According to his recommendations, the analysis of e-government failure and success case studies shows that seven dimensions provide a model that can be applied in practice to a wide range of case studies: 1) information (data stores, data flows, etc.); 2) technology (both hardware and software); 3) processes (the activities of users and others); 4) objectives and values (the key dimension through which factors such as culture and politics are manifest); 5) staffing and skills (both the quantitative and qualitative aspects of competencies); 6) management systems and structures; and 7) other resources (particularly time and money).

Similar requirements stem from the multi-disciplinary and intersectoral character of e-government. In order to grab it, the conceptualization of e-government terminology has been simplified by various holistic frameworks. Among the more comprehensive ones, the holistic reference framework for e-government services of Wimmer may be cited (Kubicek, Lippa and Westholm 2007). This framework works with the following dimensions of e-government: 1) abstraction layer (i.e. different points of detail in the view of the strategic framework and activities that are operationalizing it); 2) different phases of progress of public services; and also 3) different views, which may be overlapping sometimes, but which emphasize a potential collision of views of an organization and/or its individual parts and external requirements of users, legislation, politicians etc. (process perspective, user perspective, technical aspects, security aspects). Analogies to Heeks’ recommendations and the holistic reference framework can be found among the requirements of various concepts of quality management. These concepts build on the necessity to include stakeholders in decision-making and policy-making processes as well as in the evaluation of their effectiveness more broadly in order to gain deeper knowledge. Such an approach may be time-consuming, but it is preventive. Current evaluation practices may be contradictory however.

2.2.3 Challenges to e-government evaluation: Demand-focus and outcome-centricity

a) The OECD’s rhetoric and evaluation

In its 2003 report, the OECD criticizes that too often, ICT is imposed on an existing organizational structure without thinking about how those structures can be improved, i.e. without implying a fundamental change in processes and procedures or the creation of collaborative frameworks (OECD 2003, 88). This report also summarizes obstacles to evaluating e-government (lack of clarity of objectives, difficulty to define success, information paradox, unclear clients, difficulty to measure shared
benefits, incompatibilities with private-sector evaluation instruments, availability of bad indicators, incentives to misstate evaluation results, challenges of sharing results, focus on measurement may become driving force for an organization) (135). Another critical comment points out that many e-government initiatives have been developed from a supply-side “build and they will come” focus. According to the report, “while this is understandable in the early stages of online service rollout, initiatives need to meet clear business if they are to be effective. There is a need to be able to measure potential demand, policy outcomes and quality improvements that can result from e-government initiatives” (OECD 2003, 37). It is not apparent, however, that such an approach is always followed in the OECD’s statistics, although it forms a framework of international benchmarking (carried out by the OECD and the European Union) or a practice of national statistical offices.

Contradictions to demand-centricity and outcome-focus may be found in the OECD’s Guide to Measuring the Information Society (OECD 2005). The guide describes the framework with the supply-side in the beginning. According to the framework, the supply subsequently influences ICT products and infrastructure and ICT demand. The framework is based on the concept of an S-curve which starts with e-readiness (i.e. readiness of technical, commercial and social infrastructures necessary to support electronic services). E-readiness is followed by e-intensity, where certain demand-aspects may be found (the state of use, volume, value and nature of the transactions), and e-impact, which should statistically reflect the perceived usefulness of electronic outputs/outcomes (the value added potentially created). Although the S-curve presupposes the importance of gathering data on e-intensity and e-impact, such statistics are insufficient among the published data of the OECD.

A certain level of demand-centricity is more visible among the results of the OECD’s e-Government Projects. For example, the Proposed Outline for Assessing E-Government Benefits (2006) goes beyond the framework of statistics. It builds on the UK’s methodical help in the field of cost-benefit analyses, particularly on the methodology of business cases which was described in Measuring the Expected Benefits of e-Government (2003). The UK’s experience warns us of some weaknesses of this approach. It explicitly points out deficiencies in expressing and quantifying costs and benefits to users, insufficient practice of user research (as a ground for developing options, service designs and also for forecasting the take-up), business case sensitivity analysis and risk analysis. According to the UK’s experience, lesser problems exist in the area of plans for benefits-tracking and realization and in analyses of running/operating costs (e-Government Unit 2006). The UK’s methodology visibly tries to integrate various approaches. It requires coordination. It may help gain the necessary knowledge on better as well as worse practices, and it tries to ensure the bird’s eye view on practices of individual project managements. According to the methodology, results of the mandatory mechanism for reviewing the quality of major projects (the so-called “Gateway Process”) are not made public, however, which
might be debatable when considering the principle of openness and transparency. To comply with the methodology, reviews are to be carried out at the request of the project director, a confidential report is to be delivered on the status of the project to the board, and “the decision to keep them confidential is an important ingredient to the success of the whole process. Confidentiality ensures full and open participation from the project team during the review, and this helps to deliver an accurate assessment of the project status. The project director decides on how to respond to the review and whether to take action or not.” (eGovernment Unit 2006, 9–10).

b) Technology acceptance models, i2010 eGovernment Action Plan and European approaches to evaluation

Also various European e-government initiatives have been emphasizing demand- and outcome-centricity of e-government projects many times since the formal beginning of the eEurope initiative in the late 1990s. The current i2010 eGovernment Action Plan with its emphasis on quality-evaluation needs is most probably not the last case. The action plan calls for improved evaluation particularly because of its requirements to make efficiency and effectiveness a reality especially by significant contribution to high user satisfaction, transparency and accountability and also by a lighter administrative burden and efficiency gains.

The methodology of Eurostat, which forms one pillar of official European e-government benchmarking, has been similar to the approach of the OECD. The mostly superficial level of demand-centricity of e-government and e-government evaluation itself may be arguable in the same manner as the OECD’s methodology (e.g. relatively limited surveying of e-government practices as part of information-society research).

The supply-centred and mainly output-focused approach is also still apparent in the 2007’s methodology of Capgemini (Capgemini 2007), which forms the second pillar of the official European benchmarking methodology. Although it works with a new level of sophistication (“personalization”), which is to be interlinked with the new composite indicator for user-centricity and a new assessment of national portals, its methodology does not go beyond the supply-centred approach. It still does not sufficiently overcome some limitations that were perceived and underlined by Capgemini itself. In its 2005 report, Capgemini states that results show progress, but “when analyzing the results of this study a limitation should be taken into account: the survey only analyzes the results of eGovernment efforts from the perspective of the online availability of public services. The results should be integrated into a broader perspective of various eGovernment measures: linking service availability; channel selection; back-office fulfilment capability; and service usage and impact of eGovernment.” (Capgemini 2005). The self-critique of the 2006 report in regard to the utilized methodology went even further (Capgemini 2006, 15–17) and warned of the low take-up of e-services. The last report (2007) still shows that user-centric-
ity is not always the same as demand-centricity and asks for a sufficient supplemen-
tary systematic national approach to evaluation.

Previous eEurope benchmarking reports presupposed that a more holistic e-
government measurement model will be utilized. Particularly the report on the sixth
measurement from 2006 was linking the future of more sophisticated evaluation of
e-government with the recent European initiative, the measurement framework of
the eGovernment Economic Project (eGEP). eGEP’s framework was considered a
candidate for supplementing European benchmarking methodology (Capgemini
2006, 16–17), but its final version (see e.g. eGovernment Economics Project, 2006a
and 2006b) has not strayed far from existing approaches, although some shifts are
apparent. The supply-side – e-government services (i.e. current e-outputs of for-
mer investments) – is here again in the beginning. According to the measurement
scheme of the framework and its description, only the future practice, together with
other investments, will reveal the real outcomes for efficiency, democracy and effec-
tiveness. The electronic form as the starting-point is also apparent in the majority of
indicators proposed by eGEP, although some changes have been anticipated by the
framework. According to eGEP, the evaluation shall be improved by a future meth-
odology that would also work with more a sophisticated form of the user-satisfac-
tion index (proposed indicator 2.1 User satisfaction with eGovernment services),
or by more attention to various aspects of e-intensity (e.g. indicator 2.3 Number
of transactions fully completed online). The supply-centricity of eGEP is visible in
the rest of the indicators, however, rather than the user-centricity and deeper atten-
tion to e-intensity and e-impact. This supply-centred approach is apparent also
in the construction of the eDemocracy indicators 5.1 and 5.2. The proposed list of
indicators must be compared to the larger one which is presented in the annexes of
eGEP’s measurement framework. Its Annex A introduces a list of 92 indicators that
cope more broadly with outcomes. Is this discrepancy caused by the relationship
between policy and science?

Inspirations for a more rational demand-centred evaluation approach can be
found, among others, in concepts of technology-acceptance and technology-diffu-
sion models. For example Carter and Bélager (2005) elaborate the technology-ac-
cceptance model by Davis. Together with him, they anchor their concept on the the-
ory of reasoned action. The pillar is formed here by the assumption that perceived
usefulness and perceived ease of use influence one’s attitude towards system usage.
This subsequently influences one’s behavioural intention to use a system, which, in
turn, determines the actual system usage. In their concept, Carter and Bélager also
utilize the diffusion-of-innovation theory by Rogers, who claims that the rate of
diffusion is affected by an innovation’s relative advantage (the superiority to its pre-
decessor), complexity (perceived difficulty to use and understand), compatibility
(with existing values, beliefs, experiences and needs of adopters), trialability (degree
to which an idea can be experimented with on a limited basis) and observability
(degree to which the results of an innovation are visible). The ideas of technology-

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acceptance models are relevant not only for including the external environment of public administration into the evaluation, but also for comprising the internal environment of public administration (i.e. approaches of public-administration representatives themselves).

A similar emphasis on determinants of demand is also visible in the methodology of the eUSER project. Its conceptual and analytical framework was proposed for evidence-based support for the design and delivery of user-centred online public services. It also shows analogies to various e-service quality models (e.g. Signore 2005; World Best Website Awards; de Jong and Lentz 2006; Garcia, Maciel and Pinto 2005; Zeithaml and Parasuraman 2004; Buckley 2003; or Rowley 2006). These e-service quality models may not pay sufficient attention to costs of e-services, however (with some exceptions in the case of the European eGovernment Awards 2007, or IPAT methodology as described, for example, by Cave and Simmons 2007).

Some of the determinants of technology acceptance and to a lesser extent also dimensions of outcomes have been incorporated into the OECD’s and Eurostat’s model questionnaires designed for businesses and households. Although the questionnaires are very limited for the purposes of evaluation of vast e-government practices and therefore must be supplemented by deeper national evaluation practices, they may be inspiring in different respects. They may be fruitful for potential model questionnaires designed for measuring ICT use in public administration. The concept of e-readiness is significant particularly when discussing and analyzing the impact of proposed legislation that requires electronization of administrative activities without any regard to (and sometimes also knowledge of) size structure and capacities of administrative organizations. The literature discusses the role of Regulatory Impact Analysis (RIA) here. Such an analysis is nothing but another form of cost-benefit-like analysis in the public sector. It is required in order to think about factors influencing the effectiveness and efficiency of regulations. Although such an analysis has been supported in various modernization approaches (including the current Czech trends), skepticism may be found regarding the experience of countries with longer histories with this instrument (e.g. Harrington and Morgenstern 2004).

Internal as well as external barriers to e-government ideas can also be found in recent reports of the project Breaking Barriers to e-Government. The barriers require sufficient adaptation and modification of activities of public managers as well as changes in approaches of international or supranational evaluators. Preliminary results of the project enumerated 7 key barriers (leadership failures, financial inhibitors and lack of concern about costs and their effectiveness and efficiency, digital divides, poor coordination, workplace and organizational inflexibility, lack of trust, poor technical design). These areas were modified and resulted in 30 bar-

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6 In this respect, compare the scope of Module D indicators of v2.1 and indicators of C.5 of v3.0.
riers divided into 10 areas – resistance barriers (lack of coordination, resistance to change, lack of political support, wish to avoid changing services that already work well), technical barriers (lack of interoperability and secure electronic identification and authentication), take-up barriers (low levels of internet use, ICT skills among citizens and officials), administrative barriers (particularly in the cross-border European context like lack of standards for eIDs, differences in traditions, coordination, differences in law and regulations, languages), privacy barriers, design barriers (lack of strong motivation of citizens to use e-services, difficult applications), legal barriers, cost barriers (cost of developing, of multiple-channel provision, of meeting regulations and laws), accessibility barriers and other barriers like difficulty in demonstrating cost benefits.

3. E-government evaluation in the Czech Republic

The above discussions on selected foreign approaches to e-government evaluation revealed the relevance of the following 11 questions that may form a framework for analyzing the national approach to e-government evaluation. Since the discussed approaches are always limited in a certain manner and therefore are not able to fully supplement a national evaluation approach, analyses of the national approach to assessing the effectiveness of national e-government are of crucial importance. Foreign approaches are sometimes incorporated into national evaluation without deeper analysis of their applicability. Sometimes they may be perceived as a substitute to the national practice by those who are responsible for the evaluation of national (as well as regional and local) practice. They represent only a limited instrument in case of insufficient national and sub-national managerial practice or even in case of managerial inactivity.

Table 1
11 questions for national evaluation practice

| I. Potential scope of evaluation | (1) What is the scope of e-government activities and its preconditions that form an object of evaluation practices? |
| II. Responsible central institutions, their approach to evaluation and its results | (2) What is/are the main central institution(s) that is/are responsible for e-government coordination and evaluation? |
| | (3) What is the scope of evaluation of this (these) institution(s) regarding the answer to (1)? |
| | (4) What do the results of the existing evaluation (3) show and what do they not show? |

7 The specific structure of respondents could distort the results on the importance of individual barriers (almost 60% of respondents were working in the public sector, almost 50% of respondents were designing or implementing eGovernment).
E-Government Evaluation and its Practice in the Czech Republic: Challenges of...

III. Supplementary evaluation approaches to evaluation of other administrative organizations/their bilateral/multilateral projects.

(5) Are there any other initiatives of other administrative authorities that may supplement the official evaluation of central institution(s) and its (their) coordination?

(6) What is the scope of evaluation of this (these) institution(s)/project(s) regarding the answer to (1)?

(7) What do the results of this (these) evaluation(s) (5) show and what do they not show?

IV. Supplementary evaluation approaches to evaluation of other organizations/projects (e.g. non-profit, profit, etc.)

(8) Are there any other initiatives of other organizations/projects (e.g. non-profit, profit, etc.) that may supplement the official evaluation of central institution(s) and its (their) coordination?

(9) What is the scope of evaluation of this (these) institution(s)/project(s) regarding the answer to (1)?

(10) What do the results of this (these) evaluation (8) show and what do they not show?

V. Level of integration of results of existing evaluation approaches

(11) What is the level of integration of results of existing evaluation approaches in reports of responsible central institutions?

The 11 questions form a logical sequence. They try to reveal characteristics of the potential scope of e-government evaluation (demand-aspects, e-readiness as well as goals and tasks stipulated in official national strategies/information policies/action plans and also in existing legislation). They also deal with the reflection of the plans in the real evaluation practice of a responsible central authority (authorities). The questions also do not exclude potential supplementary evaluation initiatives of other administrative organizations (from the regional and local levels) or external non-profit and profit organizations. The first question may also discuss the relationship between national policies and supranational requirements. Question 4 may discuss if the published results (which shall be used in the decision-making of responsible institutions) are up-to-date etc. The following part of our paper attempts to answer the questions with regards to the Czech evaluation practices. It focuses particularly on the approaches of responsible central institutions.

3.1 Potential scope of e-government evaluation in the Czech Republic

3.1.1 Demand for e-government

E-government evaluation should consider the demand for e-government services in order to be rational. It is a requirement that is repeated frequently in various comments on current evaluation practices. Information on demand is necessary in the case of services which exist, which are planned or which are just potential and currently demanded by the public. Such an approach is necessary in order to gain knowledge on needs that are not satisfied in practice due to a mismatch between the reality and the needs or due to the low awareness of existing e-services in society.
These areas do not often form a systematic part of international and supranational evaluation and must be supplemented by a sufficient national and sub-national (regional and local) approach.

3.1.2 E-readiness of society and also of public administration

Rationality also requires the analysis of various aspects of e-readiness which are elaborated in international and supranational statistical measurements, more specifically particularly in questionnaires for individuals, households and businesses. The concept of e-readiness usually works with readiness of technical infrastructure (including necessary equipment), ICT skills and sometimes, it also comprises attitudes to use or not to use new technologies.

The international approach to e-readiness evaluation does not cover the field of public administration, however. An elaboration of indicators for surveying the e-readiness of public authorities and their capacities is very important in the Czech context, particularly because of the huge number of municipalities. In the Czech administrative system, more than 6,200 municipalities represent a basic level of self-government. This may be problematic for e-government rationality, because the majority (almost 60%) has less than 500 inhabitants, and almost 80% have less than 1,000 inhabitants. The smallest municipalities even have about only 20 inhabitants. The Czech act on municipalities requires a municipality to care for satisfying the needs of its citizens in accordance with local conditions and habits. This principle of necessary adaptability to local needs is crucial in the Czech system and must be directly interlinked with the principle of purposeful and economical use of property of a municipality in accordance with the municipality’s interests and tasks, which is prescribed by the act on municipalities within the specification of the right to self-government. However, there are some acts that stipulate e-government duties for all municipalities also in the area of self-government.

Another problem may occur because Czech municipalities also represent front-line institutions in the area of state administration (the so-called “mixed system of territorial public administration” as a result of decentralization and deconcentration) (Špaček and Špalek 2007). Because of the current Czech project of Czech POINTS (3.1.3), the system of municipal state-administration responsibilities must be introduced briefly. The defined categorization of municipalities is usually also reflected in the national statistics or researches. According to the amount of state administration that the Czech municipalities exercise, particularly the following categories of municipalities are enumerated by Czech legislation: a) municipalities with an ordinary municipality office (“type I municipalities” in current administrative usage), b) municipalities with a registry office (about 1300), c) 387 municipalities with an authorized municipal office (“type II municipalities”), and d) 205 municipalities with extended competence (“municipalities III”/“microre-
gions” /“small districts”). State-administrative territories of some municipalities are different from self-governmental territories. State administration is not a right but a duty according to Czech legislation. This causes tensions in various areas, including ICT management.

3.1.3 Contact points of public administration, Czech POINTs and Portal of Public Administration

In the area of e-government, particularly the project of Czech POINTs represents a very visible initiative of current activities of the Ministry of Interior. Its practice depends on sharing data between various administrative branches and their registers. The project was tested from April to December 2007. Its full practice launched officially at the beginning of 2008. Czech POINTs form a network of electronic access points providing easier communication with the government. They are situated physically in administrative authorities (with adequately qualified civil servants), where citizens must come in order to request some kinds of authenticated administrative documents, which are produced by various central registers. Today, citizens who visit a Czech POINT may apply for extracts from the Land Register, the criminal records database and the Trade and Small Business Register. Other services will be added at a later stage according to plans of the Ministry of Interior and its Strategy for development of services for information society from April 2008 (e.g. applications for businesses, official authenticated extracts from drivers’ scores register, announcements of registry affairs like births, marriages etc.). Czech POINTs are currently located in 1,407 municipal offices (particularly in those with functions of registry offices) and regional offices, 420 branches of Czech Post, 49 branches of the Economic chamber, 7 Czech embassies and 123 offices of notaries.

The practice of Czech Points has also been launched on the basis of a political strategy. Their ideas are not new in the Czech Republic. They have been incorporated in every policy programme since the approval of the first information conception (‘Státní informační politika: Cesta k informační společnosti 1999’) and its specification in the conception on the building of information systems of public administration. Former policies worked with the term “contact points” when stipulating the aim to reduce administrative burdens on citizens and businesses. Because of the mismatch between plans and practice, the contact points could be found among the goals of the later information policy eCzech 2006 (‘Státní informační a komunikační politika e-Česko 2006’ from 2004) to establish one-stop shops with life-events functionalities. Again, the key tasks of this policy comprised the draft

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8 A municipality office is an executive body of a municipality which exercise the tasks assigned to it by political decision-making (decisions of municipal assemblies and municipal councils) in the area of self-government, or by legislation in case of responsibilities from state administration. The higher type of a municipality usually includes all of the responsibilities of lower types on the basis of special law provisions.

legislation governing the rules for the interchange of data between public-administration bodies, the status of basic registers of public administration and their interoperability, reduction of administrative burdens, making certain services for citizens and businesses available online via the Portal of Public Administration. The eCzech 2006 policy also defined key tasks which form preconditions of e-government itself – particularly online security, affordability by a liberalization of the electronic-communication sector, support of high-speed internet access, development of necessary legislation, supporting the increase of computer literacy of the Czech population.

It is expected that Czech POINTs will provide access to all data stored in public registers and will be accessible via the internet, so that citizens will be able to locate the documents they need without leaving the comfort of their homes, which would be a radical change of the current situation. Today, it is not clear whether the Czech POINTs will be added to functionalities of the Portal of Public Administration. Apart from the information services (address books, existing law, life events, maps, online magazine Public Administration), this portal provides the following national transaction e-services today: services of the the Czech Social Security Administration (personal files of pension insurance, application and cancellation of employees for health insurance, statements of self-employers), Ministry of Industry and Trade (annual statement on post services), Ministry of Finance (tax declarations for income tax of individuals, businesses, VAT, road tax, immovable property tax), the General Directorate of Customs (Customs administration – Intrastat), Ministry of Transport (eTests collecting results from driving licence exams), and services of the Ministry of the Environment (central notification of pollution).

3.1.4 Current e-government policy

The eCzech 2006 was the last document called “state information policy”. It was approved by the previous government and as such, it was discontinued after the political changes of 2006. The political changes of 2006 influenced the planned directions. Particularly the resolution of the government 1085 from September 2006 is very important for today’s Czech e-government practices. This resolution stipulates “a set of measurements for accelerating e-government”. It speaks particularly about a) necessary changes in the structure of ministries (particularly with regard to the Ministry of Informatics, which existed at that time but which was directed not by an
individual minister as before, but by the minister of interior as “minister of interior and informatics”); b) a proposal of necessary legislation (on Czech POINTs, legislation approving rules that would enable the public to submit comments electronically, legislation on possible use of electronic documents in places where only paper form could be used – i.e. the Czech e-Government Bill, and proposal on legislation on central registries) with deadlines at the end of September or October 2006.

The 2006 e-government strategy has been incorporated into the broader strategy “Efficient Public Administration and Friendly Public Services – Strategy on Realization of Smart Administration in the Period 2007–2015”, which was approved by the government in July 2007. The new strategy works with a hexagon of public administration, and among its pillars, technologies can be found together with legislation, organization of its execution, citizens, bureaucrats and finances and also with an emphasis on good governance principles. E-government aims are fragmented here among various directions that show the perceived instrumental character of ICT. The document explicitly underlines the possibility of reaching efficiency gains, bringing public services closer to citizens in a more simple but secure way, and enhancing the quality of public administration. Particularly the following similarities to former plans echo within the stipulated duties:

a) to ensure an adequate utilization of ICT, to create central public administration registers for the purposes of a secure sharing of data and authorized access for citizens;

b) to support e-government while emphasizing secure and simple access to public services through the internet, to prepare a legislation on electronization of administrative activities, equality of paper and electronic forms of documents, secure communication between administrative institutions and the public, which would also optimize internal administrative processes through the use of ICTs.

c) to establish a network of contact points of public-administration Czech Points;

According to the strategy, empirical surveys of citizens’ satisfaction and continual monitoring of the quality of public administration shall serve the realization of its aims. Deadlines are connected to the visionary state of 2015. Specific deadlines and accountabilities are not specified in the strategy. The strategy presupposed that the project schedule be elaborated within 3 months after the approval of the strategy and that annual reports on practice be presented to the government. The complete schedule of the “smartening of administration” is not available in the form of public information yet. In April 2008, the mentioned complementary strategy for development of services for the information society was approved.

3.1.5 E-government and its law

The introduction to Czech e-government strategies was necessary because of the requirement to cope with political strategies during evaluation. The evaluation of
e-government should also comprise the effectiveness of related existing laws. Questions may be raised in case of situations where there is a policy with aims that are not supported sufficiently by existing legislation. This will not be a matter of this paper, however. For the purposes of public e-services and their management, particularly the following existing legislation is of crucial importance:

a) Act no. 106/1999 on free access to information also incorporates the European directive on re-use of public-sector information. It represents the ius generalis in the field of public information. It also defines the supply side of public information that shall be made available in “the way that enables the distant access” on the basis of activities of public authorities, or on the basis of applications for them made by citizens. The act presupposes a certain level of e-readiness of “legally bound subjects”14. This act also required secondary legislation that would specify some of the prescribed informational duties (e.g. today’s special regulation of the former Ministry of Informatics no. 442/2006 prescribes a compulsory structure of public information) (see e.g. Špaček 2007). Relevant duties are shattered in various acts and other related law (e.g. in the act on information systems of public administration that presupposes accessibility of information systems to disabled people since 1 January 2008 and the related special regulation no. 64/2008 on the accessibility of web pages; act on free access to environmental information (act no. 123/1998);

b) relevant duties are prescribed in the administrative procedure act (act no. 500/2004). This act also presupposes the electronic form of official notice board. The electronic notice board of an authority may also be established indirectly by making a public-law contract with other authorities in case of low capacities of an administrative authority to ensure the publication of the notice board content electronically. No specification of this incapability is prescribed, however. The act on administrative procedure stipulates similar duties regarding the electronic registries, which are special workplaces of public authorities that should serve the reception and delivery of data messages as defined in the act on electronic signature;

c) the act on electronic signature (act no. 227/2000) regulates the practice of this instrument in the Czech Republic. This act also presupposes a more sophisticated form of e-signature in case of interactions with public administration (“guaranteed electronic signature”).

d) the act on information systems of public administration (no. 365/2000) currently prescribes not only the new accessibility requirements but also general duties of the “long-term management” of information systems. Within these duties, the act requires administrative authorities to elaborate and approve an “in-
formation conception” (in the period 2007–2008) that would address long-term aims of quality and security management and also general principles of buying, developing and running their information system (as specified in special regulation no. 529/2006). The information conception shall serve the elaboration of the second pillar of ICT “long-term management” – the documentation of the information system. Both of these parts shall be approved by certification. Such certification is not required in the case of municipalities which exercise only the basic amount of state administration (i.e. “type I” municipalities, see point 3.1.2). The certification shall also ensure the interconnection with other information systems. This act also prescribes special duties of the Ministry of Interior to administrate the Portal of Public Administration.

3.2 Nation-wide coordination and evaluation of e-government: Responsible central institutions

The act on information systems of public administration specified the responsibilities of the former Ministry of Informatics. This ministry was abolished by changes in legislation in April 2007 which came into force at the beginning of June 2007. Its activities were transferred particularly to the Ministry of Interior. Since that time, the ministry has also been responsible for the evaluation of e-government in the Czech Republic. This duty is incorporated in the general duty of the ministry to search for, process, save and create new information that forms a knowledge base for quality development and improvement of information systems of public administration. According to the actual Czech strategies, the Ministry of Interior plays a key role as a “subject of the strategy” of smart administration. A special “Board of deputies for regulatory reform, extensive administrative burden, quality in public administration and public services and e-Government” was also created under the presidency of the prime minister in order to prepare new strategies.

We are not concerned here with competencies of other ministries and institutions which are responsible for the management of specific branches of state-administration functions. For the purpose of coordination, Czech legislation prescribes a general duty to horizontally cooperate with other central administration institutions. Coordination responsibilities are assigned to the Ministry of Interior according to the act on competences of central government, including the area of ICT. In the time when the Ministry of Informatics and the Ministry of Interior existed side by side, the Ministry of Interior had special responsibilities in the area of the “informatization” of municipalities and newly established regions.

Although we do not deal with other ministries, we cannot omit the responsibilities of another central administrative institution – the Czech Statistical Office. Its activities are specified particularly in the act on the state statistical service (act no. 89/1995). According to its § 4, the national statistical office shall obtain and process data for statistical purposes and also to disseminate them to public authorities. It
shall also ensure the mutual comparability of statistical information on the inter-
state as well as on the international scale.

3.2.1 Scope of the central approach to evaluation and its results

We will now briefly discuss the focus and results of the existing evaluation practices. We will start with results that have been published by the central statistical office. Afterwards we will introduce evaluation practices of the former Ministry of Informatics and of the Ministry of Interior. This approach reflects the sequence which is based on the instrumental character of the statistical office that shall disseminate information to coordinating institutions. The discussion will show to what extent the evaluation results of the Czech Statistical Office have been used in policy-making and policy evaluation. The discussion may reveal potential problems which may be caused by the abolishment of the Ministry of Informatics.

a) Approach of the Czech Statistical Office

In the case of the Czech Statistical Office, foundations of a more systemic approach to evaluation of the ICT use in society were established particularly in 2001. Two frameworks for evaluation have been published since then. They reflect changes in the Czech as well as the European information policies and in the methodological approaches of Eurostat and the OECD. Apart from the special emphasis on ICT literacy and ICT penetration, the latest framework presupposed the evaluation of expenditures of individuals and households on ICT. According to the plans, the evaluation shall also comprise economic and social outcomes of ICT use. The group of outcomes was specified in a broader way only in the case of businesses (“economic, social, organizational and labour outcomes”). In the case of ICT use in public administration, evaluation shall focus on infrastructure, content and also on the diffusion of technologies while also taking into account investments and expenditures and ways of ICT use (e-procurement was separated as a special category of focus, too). The planned measurements shall not exclude changes of the relationships between public administration and individuals or businesses, either (e-government formed a special category of focus here). The published results still cover the planned focus only in a limited way, however. The published results may be briefly introduced as follows:

<table>
<thead>
<tr>
<th>HOUSEHOLDS, INDIVIDUALS AND ICTS</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Households with PC</td>
<td>36%</td>
<td>40%</td>
</tr>
<tr>
<td>2. Population (16+) using PC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• in the age between 16–24</td>
<td>48%</td>
<td>50%</td>
</tr>
<tr>
<td>• in the age between 25–64</td>
<td>84%</td>
<td>88%</td>
</tr>
<tr>
<td>• older than 65</td>
<td>26%</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>4%</td>
<td>5%</td>
</tr>
</tbody>
</table>

Table 2

Evaluation of the Czech Statistical Office: Framework and selected results

110
### 3. Households with internet connection

<table>
<thead>
<tr>
<th></th>
<th>27%</th>
<th>32%</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prague (37%)</td>
<td>Prague (46%)</td>
</tr>
<tr>
<td>b)</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>

### 4. Population (16+) – internet users

- in the age between 16–24: 41% (Prague 82%), 22%
- in the age between 25–64: 78% (Prague 4%), 76%
- older than 65: 21% (Prague 3%), 42%
- using the internet at home: 3% (Prague 3%), 50%
- using the internet at work: 43% (Prague 44%), 50%
- using the internet every day or almost every day: 27% (Prague 28%), 30%

### 5. Types of internet use

- e-mail communication: 84% (Prague 86%), 86%
- buying via the internet: 12% (Prague 15%), 15%
- internet banking: 22% (Prague 24%), 24%
- reading on-line news, newspapers and magazines: 43% (Prague 45%), 45%

### 6. Population (16+) that used the internet for purposes of interaction with public administration within the last 3 months

<table>
<thead>
<tr>
<th></th>
<th>17%</th>
<th>15.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prague (34%)</td>
<td>Prague (31%)</td>
</tr>
</tbody>
</table>
| b) purposes of interaction (Internet users) | 36% (Prague 29%), 29%
- searching for information: 17% (Prague 16%), 16%
- downloading a form: 7% (Prague 7%), 7%
| c) population using e-mails to communicate with PA (i. users) | 13% (Prague 16%), 16%
| d) reasons for the lack of interest to interact with PA electronically | 4% (Prague 4%), 4%
- requirement of personal contact with a civil servant: 40% (Prague 41%), 41%
- did not know what interactions with PA may be carried out: 16% (Prague 16%), 16%
- uncertain that a problem would be solved: 16% (Prague 16%), 16%
- deficit of immediate answer: 9% (Prague 9%), 9%
- the handling is demanding: 9% (Prague 9%), 9%
- afraid of privacy: 10% (Prague 10%), 10%
| e) potential demand for e-services | 63% (Prague 64%), 64%
- applications for personal documents: 51% (Prague 52%), 52%
- car registration: 44% (Prague 45%), 45%
- notification of change of address: 34% (Prague 35%), 35%
- tax declaration: 31% (Prague 31%), 31%
- notifications to police: 31% (Prague 32%), 32%
- applying for social allowances: 31% (Prague 32%), 32%
- applying for a building permission: 31% (Prague 32%), 32%
- applying for labour office registration: 31% (Prague 32%), 32%
| f) demand for e-government (reduction of personal visits to authorities) (population 16+) | 45% (Prague 46%), 46%
- individuals who have used: 30% (Prague 31%), 31%
- individuals who have not used but who would like to use: 70% (Prague 71%), 71%

### 7. ICT literacy of population (16+)

<table>
<thead>
<tr>
<th></th>
<th>52%</th>
<th>49%</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prague (49%)</td>
<td>Prague (46%)</td>
</tr>
<tr>
<td>b)</td>
<td>55%</td>
<td>51%</td>
</tr>
</tbody>
</table>

### BUSINESSES AND ICTs 2005 2006

<table>
<thead>
<tr>
<th></th>
<th>95%</th>
<th>95%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. businesses with access to the internet</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2. businesses with their own web-pages & 70% & 71%  
3. businesses using e-banking services & 86% & -  
4. businesses using the internet for buying & 27% & 32%  
5. businesses gaining information from web-pages of public administration & 71% & 71%  
6. businesses downloading a form from web-pages of public administration & 66% & 65%  
7. businesses filling in a form on web-pages of public administration & 32% & 34%  
8. businesses using the internet for purposes of applying to public tender (with 10+ employees) & 10% & 12%  

<table>
<thead>
<tr>
<th>PUBLIC ADMINISTRATION AND ICTs</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. municipalities with high speed internet</td>
<td>41%</td>
<td>62%</td>
</tr>
<tr>
<td>• municipalities with more than 5,000 inhabitants</td>
<td>91%</td>
<td>97%</td>
</tr>
<tr>
<td>• municipalities with less than 500 inhabitants</td>
<td>26%</td>
<td>52%</td>
</tr>
<tr>
<td>2. municipalities with their own web-pages</td>
<td>73%</td>
<td>84%</td>
</tr>
<tr>
<td>• municipalities with less than 500 inhabitants</td>
<td>60%</td>
<td>75%</td>
</tr>
<tr>
<td>3. the level of sophistication of web-pages of municipalities (without the category of municipalities with less than 500 inhabitants – from municipalities with their own web-pages)</td>
<td>89%</td>
<td>49%</td>
</tr>
<tr>
<td>• information</td>
<td>53%</td>
<td>44%</td>
</tr>
<tr>
<td>• web-pages allowing downloading a form</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>• web-pages allowing filling in a form</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4. Web-based survey information  

a) covers 245 authorities (26 central authorities, 14 regions and all of the 205 municipalities with extended competence)  
b) focuses particularly on the informational aspects  
c) lesser focus on more interactive e-services  
   • multi-lingual web-pages  
   • e-registry offices  
   • full-text search  
   • links to web-pages of central administration authorities  
   • FAQs  
   • discussions  
   • surveys  

<table>
<thead>
<tr>
<th>sophistication</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) information</td>
<td>67%</td>
<td>70%</td>
</tr>
<tr>
<td>one- and two-way interaction</td>
<td>98%</td>
<td>99.6%</td>
</tr>
<tr>
<td>transaction</td>
<td>77%</td>
<td>87%</td>
</tr>
<tr>
<td>b) links to web-pages of central administration authorities</td>
<td>70%</td>
<td>86%</td>
</tr>
<tr>
<td>c) FAQs</td>
<td>22%</td>
<td>30%</td>
</tr>
<tr>
<td>d) discussions</td>
<td>27%</td>
<td>31%</td>
</tr>
<tr>
<td>e) surveys</td>
<td>32%</td>
<td>34%</td>
</tr>
<tr>
<td>d) sophistication (4 levels – information, one- and two-way interaction, transaction) was analyzed for a limited number of public services (personal and registry documents, evidence of inhabitants, trade register, social allowances) and the results do not show its higher levels</td>
<td>4%</td>
<td>5%</td>
</tr>
<tr>
<td>e) Accessibility for visually impaired</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. number of municipalities with CZECH POINT (February 2008) | – | 1,305 |


The following points are of crucial importance when summarizing the published results:

- The published data show the low share of households with a PC and an internet connection. Also the practice of electronic interactions with public administration (through its web-pages) is alarming. The majority of e-government users
only search for information. Only 13% of the internet users were using e-mails in order to communicate with public administration. Among the reasons for the lack of interest, the requirement of personal contact with a civil servant dominated (40%), 16% of the internet users did not know what interactions with the public administration might be carried out, the same percentage was uncertain that a problem would be solved (electronically). Only 10% of the internet users missed the immediate answer, considered the handling of ICT demanding or were afraid for their privacy.

- The former report also contained statistics on the demand of internet users for various (and currently mostly) potential e-services (63% in the case of applications for personal documents, 51% for car registration, 44% for notification of change of address, 40% for tax declaration, 34% for notifications to police, 31% for applying for social allowances and almost the same percentage in the case of applying for building permissions or for labour-office registration). Such measurements do not continue today, also due to the changes in the Eurostat’s methodology. Analogous to this methodology, the measurements of the Czech Statistical Office were not systematically interlinked with existing functionalities of the Portal of Public Administration nor with 20 basic European public e-services.

- Results still show great gaps in ICT literacy.

- Deficiencies in methodology with regard to small municipalities are still apparent. Some of the results still do not cover municipalities with less than 500 inhabitants. The web-based survey still focuses only on 205 municipalities with extended competence, although the informational duties are prescribed mostly for all municipalities. The latest results were published in autumn 2007. They are based on a survey that focused particularly on the informational aspects. Sophistication was analyzed only for a limited number of public services. Although the municipalities with extended (state-administration) competence should be the most advanced among the municipalities, the results still show low sophistication of functionalities that are available on their web pages. Accessibility for visually impaired people was found only in a very limited number of cases.

- The scope of measurement of ICT use in public administration is much narrower in comparison to the ICT use by businesses.

- Some of the published results refer to the state of 2006.

b) Reports of the Ministry of Informatics and of the Ministry of Interior

The evaluation of the Ministry of Informatics was limited in its scope, too. It focused particularly on the Portal of Public Administration, and the quality of the results was arguable. The published results usually did not cover the satisfaction of users. Reports on the information policy have been more of proclaimed than of
sound empirical nature (e.g. Ministry of Informatics 2005 and 2006). The results also did not utilize the outputs of the Czech Statistical Office to a greater extent. Some of the latest results (from January 2007) warned of the problematic practice of e-registries – according to them, only 891 municipalities of type I fulfilled the duties (i.e. 15 %).

The situation has not gone further in the case of reports on evaluation activities published by the Ministry of Interior. This ministry, together with the profit-making organization STEM/MARK, has regularly (mostly annually) published results focusing particularly on informational services of public authorities. The results have been showing a lack of citizen interest in public information and the prevalent passivity of citizens in this area (Ministry of Interior 2000). The results have been stressing that municipalities represent the authorities with the highest impact. Representatives of self-government had more positive opinions on public administration than citizens, however (Ministry of Interior 2001). Later results warn of the difficult diffusion of electronic communication to people older than 45 years. They also underline the factual impossibility of ICT penetration in the case of retired people (Šimoník and Svoboda 2005). Although the published results show higher awareness of citizens about the non-substitutable role of the Internet in communication with public administration, they revealed the following prevalent barriers to progress – particularly high costs of access, lack of knowledge, perceived uselessness of public information for the real life and again the difficulty to use new technologies (Šimoník and Svoboda 2006). According to the STEM/MARK, more than half of the respondents did not find sufficient information on the web pages of authorities, but paradoxically 3/4 of them were satisfied with the availability of information. According to this survey, the most required information related to the contacts and office hours (72 %), legislation (66 %), municipal office activities (56 %) and online forms (53 %). Less interest was given to the minutes of municipal council meetings (27 %) and life-event guides (21 %). Almost every respondent would have welcomed the possibility to communicate with authorities electronically. Only 5 % of them have used the e-signature, although 2/3 of them are aware of this instrument (Brhlík 2006).

In 2006, most people who lived in the countryside, who received lower education, people older than 45 years, and those with lower social status were without connection to the internet. When speaking about public information, the share of lackadaisical population reached 45 %. Still people gave greater attention to personal contact with public administration. That is also why the conclusions still speak about the supplementary role of the internet in communication between the citizens and public administration in the Czech Republic (Šimoník and Svoboda 2007; Kunc, Svoboda and Šimoník 2008).

The Strategy on Realization of Smart Administration from 2007 introduces perceived negatives of ICT practice when briefly describing the status quo of state
administration and self-government in the Czech Republic. It only outlines, and its comments are not made on the basis of robust analytical information. The strategy speaks about inefficient use of ICT, non-existence of the uniform communication infrastructure, non-interconnection of individual registers and insufficient sharing of data, insufficient facilities of state-administration institutions, low ICT literacy of employees and non-existence of electronic communication inside state administration because of the requirements to use paper-form. The strategy also expresses perceived negatives of management in general (insufficient communication and coordination among state-administration institutions, non-existence of methodological guides for strategic management and factual absence of interconnection of strategic documents with budgets and also in content). It also criticizes the heavy burden of central administration by operational work. It also underlines the unclear definition of accountability for outcomes. When describing negatives of territorial self-governmental practices, particularly the following are stressed: low efficiency and professionalism of activities of small municipalities, slow pace of innovation and problems with software compatibility.

The strategy also includes several figures on e-government use by citizens and businesses sourcing from data of Eurostat, rather than using the sometimes more specific results of the project Benchmarking in a Policy Perspective or information elaborated by the introduced Czech official surveys. The strategy also discusses selected results that were published by the Economist Intelligence Unit in 2004, which are obsolete today.

The Ministry of Interior also published an evaluation report on the practice of Czech POINTs in August 2007 (Ministry of Interior 2007). The figures contain particularly numbers of issued authenticated public documents and extracts from public registers. The report also introduces summarizing charts that show only general satisfaction of municipalities that took part in the pilot testing of the project from April to December 2007. Neither specifications of their “satisfactions with reservation” (of which 17% limited satisfaction with technical solution and 44% satisfaction with the overall project) nor the cost-effectiveness of the project or opinions of users were included. The current information on the web pages dedicated to Czech POINTs does not go further.15 The situation is the same in the case of the recent report of the ministry and the magazine eGovernment from April 2008.16

### 3.3 Supplementary evaluation initiatives of other administrative organizations

It is a question of the day how the new duty of almost all public administration to approve the information conception will help improve the evaluation of e-government of responsible central institutions in the Czech Republic. It is now too early to

15 See http://www.czechpoint.cz.
16 eGOVERNMENT. Czech POINT a nemusíte lítat po všech čertech, Spring 2008.
judge the situation since the duty will come into force at the beginning of 2009. It is also almost impossible to judge the influence of the Common Assessment Framework (CAF) – the instrument that has been utilized for quality improvements by several institutions. Self-evaluation results are not usually available to the public. Only one municipality of almost 60 municipalities from the official list of CAF’s users continuously publishes such reports on its web pages; only one region published the results partly (in the case of the self-assessment report of 2005, not the reports of 2004 and 2006). Central continual evaluation of the use of various quality instruments in the Czech administrative practice (particularly CAF, EFQM, BSC, ISO norms and Local agenda 21) is limited to the methodology of the national quality awards, rather than elaborated in complex and systematic way.

The project eCitizenship for All is one of several other examples that might supplement the national evaluation of e-government in the Czech Republic. This initiative was realized by some (13 of 23) statutory cities in 2005 under the initiative of the Capital of Prague together with the Association of cities and towns of the Czech Republic. The results particularly emphasized the following needs: a) to ensure a conceptual approach to ICT development, b) to define priorities and gain the support of the political management of a city, c) not to omit the importance of education of civil servants as well as of citizens, d) to utilize project management approaches, e) to develop transactional services and ensure a multi-platform approach, f) to enhance the use of e-learning and g) to cooperate and share experience. The results reflected only the opinions of representatives of cities, not opinions of citizens and users of existing e-services. The analysis has not been carried out continuously. The official reports of the Ministry of Informatics and the Ministry of Interior did not include these results in their published reports.

3.4 Supplementary evaluation approaches to evaluation of other organizations

In the Czech Republic, there are some initiatives that try to supplement the official evaluation on a continual basis on demand of central institutions or on demand of principles of civil society. They are usually not integrated in reports published by central authorities. Among the projects of non-governmental institutions, particularly the initiative Infoliga must be underlined. This project is based on the benchmarking of the informational value of websites of more than 140 Czech self-governments. It focuses particularly on the requirements prescribed in the act on free access to information. Infoliga’s methodology tries to comprise the quality of published information, which is not always expressly prescribed by the Czech legislation. It works with: a) the (perceived) necessity of every decision to be published in a transparent way in order to answer the question related to types of documents/information, responsible persons, matters of decision-making, addressees of decision-making, amount of spent money, on what conditions and why; b) criteria of public information quality which covers sophistication of published information
evaluating the depth of existence of information (existence, core information, relevant content and availability of archived version) together with c) the principle of active publishing. The results have been published annually since autumn 2005.

The results of Infoliga’s benchmarking were incorporated into the criteria of another continuous Czech project – the national annual awards “Golden crest”, which was launched in 1999. Its current methodology defines three categories of awards: the best website of a city, the best website of a municipality, the best electronic service. The evaluation is based on the principle of application for the award. It is also mainly personally interconnected (during the evaluation of applicants) with the project Blind User Web, which evaluates the accessibility of web pages of Czech public administration, mainly on the basis of applications made by those who want to be evaluated.

Supplementary evaluation activities also relate to project research teams of academic institutions. Selected results of our empirical research were introduced during NISPA’s 2006 conference (Špaček and Špalek 2007). This research focused on the critical analysis of communication practices between regional offices and municipality offices of municipalities with extended competence, particularly in the field of state-administration activities. The principal conclusions stressed six recommendations that reflected the perceived needs of municipal officials: continual analysis of existing expectations, enhancement of methodological help and its unification, unified visual appearance of central authorities’ websites, unification of communication management, continual monitoring and evaluation of results, analyzing the information/computer literacy of officials and political representatives.

4. Level of integration of results of existing evaluation approaches: Conclusions

The analyzed practice of evaluation still shows limitations of evaluation approaches. The situation of today questions the rationality of electronization management. Questions arise particularly because of the very low level of theoretical and practical integration of individual approaches and also because of their usual superficiality. This is not only the case in the Czech Republic. Such limitations are also characteristic of some international and supranational benchmarking approaches (e.g. Capgemini, Eurostat, OECD). Their methodology must be questioned because it may be perceived as the substitute to the national practice by responsible national institutions. Their approach often leads to superficial rather than systematic results, and its focus is still limited, although they may be inspiring for improving the e-readiness concept by including the public administration itself. International benchmarking may represent only a limited instrument in the situation of insufficient national and sub-national managerial practice, or even in the case of managerial inactivity, although there is a visible shift in approach for example in the
The discussed benchmarking approaches bring up the following questions: Why is the concept of basic public e-services (as elaborated for the benchmarking of European information policy) not interlinked with the methodology of the European statistics? Why is there a shift especially in rhetoric, rather than in practice? Are responsible institutions aware of possible differences between citizen-centricity and demand-centricity, i.e. between outputs and outcomes?

The holistic approach is more heard than realized today in the discussed practice. This inevitably questions the adaptability of central institutions responsible for coordination and their coordinated and integrated evaluation. The level of integration of various Czech evaluation approaches was partly discussed. The discussion – even when limited – shows that the results of evaluation are mostly not integrated in reports published by responsible central authorities. They may not be integrated even in the case of reports produced by a single authority (when published by different employees or units). The integration can improve the efficiency of evaluation processes. The quality of evaluation and its results must be taken into account, too. The discussion certainly reveals arguments for questioning the still limited scope of official Czech evaluation and the roles of the coordinating ministry and the central statistical office. It also confirms the validity of the proposed framework of the 11 questions that are necessary to be analyzed in order to bring out a clearer and more complex view on evaluation practices. They may also form a baseline for international comparisons.

Two fundamental challenges remain in our opinion in the analyzed practices: 1) improvement of the management and evaluation of e-government; and 2) deliberate integration of existing evaluation approaches. Such challenges form critical issues of rational, synergistic and outcome-centred e-government development.

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The Analysis of Voters’ Real and Perceived Support to the Cabinet Policy: The Case of Czech Health-Care Policy

Marek Pavlík

Abstract

Considering the cabinet as the key actor of policy formulation and implementation, we assume that the public support for policy aims is a significant factor affecting policy implementation. The paper examines if there is any difference between voters’ real and perceived support recognized by the cabinet. If the cabinet recognizes support to its ideas, different from the real support, then its policy, based on wrong assumptions, could be a factor causing implementation failure. Conclusions are based on the comparison of results of a public poll and the analysis of voters’ opinions expressed in the election.

Key words: implementation, health policy, opinion, electoral system

JEL classification: D78, H11, I18

1. Introduction

According to top-down approaches (Howlett and Ramesh 2003) or synthesizing approaches based on top-down principles (Bergen and While 2005), the cabinet is assumed to be the key actor in the process of policy formulation and implementation. Generally, public support for cabinet policy is considered an important factor for implementation (Manzmanian and Sabatier 1989). If we expect that politicians maximize their utility by achieving re-election (Buchanan 1987), the condition of the acquisition of public support seems to be valid. The meaning of the following analysis is to find out whether or not the public support perceived by the cabinet is some form of illusion. This kind of illusion could arise from the electoral system.

1 Marek Pavlik; Masaryk University – Faculty of Economic and Administration.
The following analysis is based on two simplified assumptions. The “public” is considered to be the same group as the “voters” (abstract from children's and illegal immigrants’ opinions, etc.). Evaluating the level of public support, the cabinet takes into account primarily the information obtained in the election process.

Considering the second assumption, the question is if there is any difference between real voters' opinions and information about voters’ opinions given to the cabinet in the election. In other words, is the same voter opinion expressed in public polls as through the election process? Therefore the aim of the paper is to analyze whether or not the difference between voters’ real and perceived support to the cabinet exists and to discuss possible reasons including the influence of the electoral system.

The Czech health policy was selected for the case study, and despite the general agreement to reform the Czech health-care system, no attempt at a reform succeeded during the past decade (Drbal 2005, Malý and Darmopilová 2005). The reasons for these failures would be rooted in the phase of policy formulation and implementation (Nemec 2006). The verification of the difference between voters’ real and perceived opinion could be one reason why the implementation of previous health policy has failed. The focus lies specifically on the election year 2006.

1.1 Theoretical framework

According to the theory of the policy cycle; the cabinet is seen as the key actor formulating the policy. The implementation is considered to be a part of the policy cycle (e.g. Howlett and Ramesh 2003)

Considering the Czech inability to realize a coherent vision of health policy (Holčík 2004), we should search for the roots of such failure. Regardless of the explanation of past failures, we have to seek answers which would improve the chance for future success. Manzmanian and Sabatier (1989) defined six conditions for effective implementation. And the importance of one of these conditions, public support, is partly examined.

Focusing on the case of health-care policy, we can determine two categories of aims for the purpose of analysis. The aims related to the population’s health state and “the other aims” related to the health-care system (e.g. optimization of providers’ network, increasing total resources by co-payments from patients). The problem is how to define the optimum situation which could enable the improvement of health when faced with the problem of limited resources (Malý 1998); therefore the analysis focuses on the “other aims”.

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2 The result of implementation can either fulfill the aims or lead to implementation failure. Linder and Peters (1987) consider implementation failure to be one of three policy failures: Implementation failure; Policy design (crippled at birth); Policy results (aims can be achieved; however it creates too many “side effects”, the situation could be worse than before).
1.2 Specificity of the Czech Republic

We assume that the chosen approach has to be related to real conditions. The past situation in Czech health-care policy\(^3\) can be described by the following points:

- The Minister of Health was often replaced regardless of affiliation. The average time in office was 14 months (Review of Ministry of Health 2008);
- Nearly one half of the ministers were dismissed from office after physicians’ protests (Pavlík 2007);
- Most of the ministers who were in office more than a year presented their own conception of health-care policy (Pavlík 2007);
- Despite the changes of ministers and regardless of momentariness of conceptions, there were noticeable changes in the health-care system.

The case study focuses on the 2006 election. A right-oriented party won this election after two previous victories for a left-oriented party. After the victory, the right-oriented party and its coalition partners presented the concept of health reform, and the cabinet has begun the implementation process. “The aim of the new health-care policy is to create and effective and transparent system of health-care provision, based on the solidarity principle and the long-term accessibility of health-care services for all citizens”\(^4\). This cabinet’s aim would be achieved by the implementation of the following principles\(^5\):

- increasing the effectiveness of the system through market principles (allowing competition among health-insurance companies, competitions among health-care providers);
- strengthening patients’ rights and responsibilities (including cost-participation);
- stabilizing and not increasing the financial support from public budgets (Julínek 2008);
- the government should be a supervisor of the health system.

Before the analysis, it is necessary to also mention basic principles of the Czech electoral system. The case study is focused only on the election to the Chamber of Deputies; therefore only this part of the electoral system is shortly described. The Camber of Deputies has 200 members, elected for a four-year period. The elec-

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\(^3\) Note: According to Palfrey (2000), the author accepts the difference between Health policy and Health-care policy. “Health policy has a much broader remit and at state or city or national level may involve several different departments…”

\(^4\) Quoted according to the cabinet’s web page: Changes for the future 2008; translated.

\(^5\) Assembled on the basis of: draft law about health public insurance 2008; draft law about health insurance companies 2008; and draft law about office for the supervising of health insurance companies 2008.

toral system works according to the principles of proportional representation (14 electoral districts, the election threshold minimum for a single party is 5%, the minimum for a two-part coalition is 10%, etc.). “The current election law uses the d’Hondt system, which provides for the division of election results of each party by a series of numbers 1, 2, 3 up to n. Mandates are allocated to the parties based on the size of their respective shares that are achieved by this division” (System of Czech Parliamentary Elections 2008).

2. Analysis of public support

Focusing only on “the other aims”, we can study the public opinions on these aims as well as changes of these opinions in time. The analysis of public support is based on some assumptions which were indirectly mentioned in the text above:

- The voter is able to take political party’s (cabinet’s) past behavior into account before their next decision. If the link between the cabinet’s behavior and the voter’s next decision is missing, we could consider this situation as potential failure of representative democracy (e.g. Potůček 1997).
- The voter has an opinion (preferences) related to health-care issues. We can assume that the voter always has some opinion on the main characteristics of the health-care system (e.g. if health care should be free of charge).

Voters’ opinions can be discovered through:

- public polls (special interviews focused on health-system matters);
- analysis of election results (how the party succeeded and the make-up of its pre-election program).

Limits of interpretation

Based on the above-mentioned assumption, we inevitably have to consider some limitations to the value of the results of the analysis that will follow. These limits are:

- Voters’ decisions are not based only on the “health-policy part” of the pre-election program of a given political party. However, giving the vote to the party, the voter accept the party’s pre-election program;
- Voters’ decisions could be based on motives (even irrational) ones other than the pre-election program and the political party’s previous behavior;
- The preferences of voters who did not participate in the election are not shown;
- As Manzmanian and Sabatier (1989) noticed, there is a difference between real and perceived impacts of policy outputs. This matter can have positive as well

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6 Note: As it was mentioned above, the “public” is considered as the same group as “voters” (abstract from children’s and illegal immigrants’ opinion, etc.).
as negative effects on the support for the cabinet. A similar idea can be found in Buchanan (1999) – the theory of fiscal illusion. The real impact can be much worse for voters; however due to some kind of “illusion”, it can be perceived as positive;

• Policy-marketing can influence voters’ opinions. This point is closely connected to the previous one. Policy-marketing can be used as a powerful tool for “creating an illusion”.

• Voters may not be able to make a “qualified” decision.

With respect to these limits, there are still some good reasons for considering public support a condition of successful implementation. One important reason is that the complex health-care policy cannot be successfully implemented in one election period. Absence of public support would lead to the victory of opposition parties in the next election, which could cause an interruption in the implementation of the current policy and the formulation of a new policy.

2.1 Analysis of public opinion

The first possible way to find out voters’ opinions is to use opinion polls. The results from public polls can be considered to be the best available reflection of voters’ opinions. The last public poll, focused on the public’s opinion on the health-care system and its financing, was done by the Institute of Sociology of the Czech Republic’s Academy of Sciences in 2006. The results show that 85.2% of respondents agree that the health-care system needs reform; however only 63.5% are dissatisfied with the present situation.

The public poll showed what voters considered the main problems of the health-care system; the biggest one is the financing of the system, i.e. the lack of money (see appendix 1). Figure 1 shows interesting findings about respondents’ opinions tied with possible solutions of these problems.

The result simply shows that respondents agree only with solutions which would not mean out-of-pocket costs for them. The support of increasing resources from public budgets is little surprising because of the election victory of the right-oriented party in the same year. The right-oriented parties also have a majority in regional corporations in the examined year. The picture also shows the important size of opposition against any limitation of health services as well as limitation of access to the health-care system. Simplifying matters, we could conclude that the government should regulate market forces and increase the financial support from public budgets.

7 Note that e.g. the Netherlands’ reform has taken nearly 20 years. Hassenteufel and Palier (2007).
These findings are probably not surprising; however, there are interesting questions. What were the opinions shown by voters in the elections? Would the results of such an analysis be different from this poll?

2.2 Determination of voters’ opinions through the election process

The determination of voters’ opinions by analyzing election results is the key point of the paper. Comparing the results of public polls with the results of this analysis could clarify the influence of the electoral system on the distortion of voters’ real opinions. Also the analysis of the three following elections could bring findings about changes in voters’ opinions. The stability of public support is generally accepted as one condition for successful policy implementation (Manzmanian and Sabatier 1989).

The analysis takes into consideration only parties which successfully entered the Chamber of Deputies (parliamentary parties) and compares their election result with their pre-election programs. The key part of the analysis is setting up six normative statements to which the political programs are related. These statements expressed support (agreement) to the idea of:
• solidarity principle in health-care provision;
• competition among health-care providers and insurance companies;
• increasing patients’ co-payments;
• increasing support for public budgets;
• powerful role of the government in the health-care system;
• no restrictions in provided health-care services.

The party’s attitude to the given statements was contrasted to its election result expressed by the percent of gained seats in Chamber of Deputies. By summarizing the attitudes of all parties to one statement in a given election, we can find out the level of support for each normative statement. In other words, the summarizing enables the expression of voters’ preferences for given statements.

A detailed description of the method is in appendix 2.

3. Results

The voters’ derived opinion on the basic statements is shown in figure 2. It seems that there is high agreement in two principles: The current spectrum of provided health-care services should not be restricted and the principle of solidarity should

Figure 2
Voters’ support for given statements expressed in the 2006 election (%)
be used for risk-sharing. Considering the Czech health system based on public health insurance and limited competition possibilities, we can see that the cabinet has a mandate for maintaining the current system of health-care provision. Voters rather accept co-payments than the restriction of health-care services due to a lack of money. Such a result mostly corresponds to the pre-election program of the winning party.

Seeing the result, we can conclude that the cabinet has a close “mandate” to increase patients’ co-payment but not enough support to implement pro-market reform. Theoretically even if the cabinet succeeded in reform implementation, the next election should bring voter reactions.

Figure 3
Voters’ support for given statements expressed in the elections 1998–2006 (%)

Source: author
Note: A left-oriented party won in 1998 and 2002; a right-oriented party achieved a victory in 2006.

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Note: the paper was edited by the author in 2010: The health reform introduced in 2006 was partly implemented during the year 2007 (implementation of patients’ co-payments into the system) but the whole reform plan failed during 2009. The Ministry of Health lost its support and consequently the cabinet was forced to demission (not only for health reform circumstances).
The question of the stability of voters’ preferences was examined by a comparison between the years 1998, 2002 and 2006. This comparison showed that voters’ opinions were quite stable for most statements over time even though at some points a right-oriented party was in power, at others a left-oriented one (figure 3). It seems that there is a general agreement about the main principles of the health-care system. Long-term stability of voters’ preferences could be an advantage for possible health reform. However long-term voters’ support expressed in public polls could also prove the same characteristic for the verification of the stability of voters’ preferences.

**Distortion of voters’ real preferences**

At the beginning, we posed the question whether there is any difference between real and perceived support by the cabinet. The comparison between results of public polls and voters preferences expressed in the elections will be useful in finding an answer. As the first step we have to take into consideration the opinions of “non-voters”, the share of voters which make no choice.

Taking into consideration the group of “non-voters”, we can display the result for the election in 2006 (see appendix 3) and, in comparison, the results of a public poll (table 1). Although the result is limited by counting “non-voters”, the public poll results also showed a part of respondents with no preferences. Not surprisingly, the level of support for co-payments as well as other issues is quite different.

**Table 1**

Distortion of voters’ preferences through the election process (year 2006)

<table>
<thead>
<tr>
<th>Support for</th>
<th>Voters’ opinion given by public poll</th>
<th>Voters’ opinion expressed in the election (discount of non-voters)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competition among health-care providers and insurance companies</td>
<td>*38.5%</td>
<td>30.2%</td>
<td>8.3</td>
</tr>
<tr>
<td>Increasing patients’ co-payments</td>
<td>23.3%</td>
<td>32.2%</td>
<td>−8.9</td>
</tr>
<tr>
<td>Increasing public budget support</td>
<td>53.0%</td>
<td>22.7%</td>
<td>30.3</td>
</tr>
<tr>
<td>No restrictions in provided health-care services</td>
<td>79.2%</td>
<td>49.6%</td>
<td>29.6</td>
</tr>
</tbody>
</table>

Source: author

* This value represents disagreement with the idea of the existence of only one insurance company

According to table 1, none of the given normative statements reach a majority support if we respect the elections results; therefore we can see another problem for possible policy formulation and implementation. Voters have a diversified opinion
and the cabinet perceived their opinion with distortion. According to the assumptions\textsuperscript{10} of the paper, we can see the difference between voters’ real preferences and perceived preferences by the cabinet. The cabinet often declares its power using the formula “we have the mandate from voters”. It seems that the opinion of non-voters is ignored. Let us look at an example: only 23\% of voters really wish to pay more money out of their own pocket, but the cabinet feels the mandate to be on the level of 50\% (see picture 2). Another example could be increasing the government’s expenditures. Most voters support such an increase; however the cabinet could feel no obligation to do this.

The analysis also shows that the only important message (of this case) for the cabinet is that provided health services should not be restricted. The cabinet’s current reform proposals respect this voter opinion and declare no intention to restrict the health-care services. Nevertheless the cabinet feels a stronger mandate to implement changes in the health-care system. If the announced changes are implemented, the next election will show the reaction of voters\textsuperscript{11}.

### Table 2

**Influence of the electoral system on voters’ preferences**

| Solidarity principle in health-care provision | 77.00 | 72.72 | 4.28 |
| Competition among health-care providers and insurance companies | 46.75 | 45.28 | 1.47 |
| Increasing patients’ co-payments | 50.00 | 48.89 | 1.11 |
| Increasing public budget support | 35.25 | 32.58 | 2.67 |
| Powerful role of government in the health-care system | 53.75 | 48.74 | 5.01 |
| No restrictions in provided health-care services | 77.00 | 72.72 | 4.28 |
| **average difference** | 77.00 | 72.72 | 4.28 |

\textit{Source: author}

\textsuperscript{10} The “public” is considered to be the same group as “voters” (abstract from children’s opinions or illegal immigrants). In evaluating the level of public support, the cabinet takes into account primarily the information gained through the election process.

\textsuperscript{11} For example Slovakia’s health reforms did not survive the next election period without important modifications and the leading party of past reforms did not succeed in the election.
Influence of electoral system to the results

Aside from the above-mentioned limits of interpretation, the next possible explanation is that the electoral system (e.g. mandates division, threshold minimum, etc.) leads to such a distortion. In other words, voters may have the same opinion, but through the electoral system, their opinion is distorted. The table 2 shows the result of the comparison between the “distorted” result (counted with percentage of gained seats) and the “original” result (counted with percentage of votes directly acquired by parties). However, the influence of the electoral system seems not to be important seeing that the comparison showed only small changes.

4. Discussion

This comparison of methods has a limited predicative value; of course, we have to respect the above-mentioned limits; however, we can discuss possible causes. The public poll shows that voters strongly prefer (in direct questionnaire) solutions based on increasing government’s outcomes instead of increasing their own expenditures; however, most voters voted for parties with partly contradictory pre-election programs in the same year. Such voters’ behaviors need not to be irrational; considering the results of election as important information for the cabinet, we should seek the reason of such a distortion between voters’ real and perceived opinions.

Examining the impact of the electoral system on the difference between real and perceived support, we can see less distortion than could be generally expected. However in our case, the crucial support to the increase in patients’ co-payment due to a small change lost majority support. Finally from our point of view decreasing the support for the cabinet policy also means that the cabinet has no record of opinion not only from non-voters but also from voters for unsuccessful parties (in the case of 2006, this represents 6%).

Seeing the distortion between real and perceived information about voters’ opinions, the question is if the cabinet knows about such distortions. If the cabinet is not aware of this distortion, the policy could fail in the case that public support would be crucial for the policy implementation. Supposing the cabinet is aware of such distortion, there are three possible strategies, at least:

• Acting according to voters’ real opinions expressed directly in public polls (i.e. increase support from public budgets, cancel patients’ co-payments, etc.); but sharing the risk of dissatisfaction of one’s own voters;

• Acting according to the program and believing that positive effects of policy implementation bring future election success; concurrent with the risk of dissatisfaction of the majority of voters.

• Creating an illusion of acting according to voters’ real opinion;
Regarding the past decade of health policy, we can see the cabinet’s attempts to acquire voters’ support. Changes at the post of Ministry of Health\textsuperscript{12} showed how difficult a task it was because other key actors of the health-care system also have an opinion and the power to influence the process of policy formulation and implementation. Attempts to satisfy voters as well as other key actors had failed at least in the case of dismissing the Ministry of Health. The cabinet appointed after the election in 2006 seems to follow the second possibility more than previous ones, i.e. ignoring voters’ real opinion and following up on its own program. (It is concluded based on the fact that the first part of the new health policy that was implemented was the new patients’ co-payment.). The next election will show the quality of this strategy.

The discussion of consequences inevitably leads to the question of how significant the public support is for policy implementation; nevertheless this is beyond the topic of this paper. Most studies consider public support to be one of the factors affecting policy implementation; however, it is regarded as the most important factor. Respecting the limits of interpretation\textsuperscript{13} and influence of the electoral system, we could consider voters’ opinions expressed in the elections as less significant than is usually presented by the cabinet.

\textbf{5. Conclusions}

The analysis proved the existence of a distortion between real and perceived support from the cabinet’s point of view. It seems that the cabinet often assumes the support for its ideas to be stronger than it really is. The analysis also showed that the influence of the electoral system on the difference between voters’ real and perceived opinion is smaller than we expected. Due to these findings, voters’ opinions expressed in the election could be less significant than is usually presented by the cabinet\textsuperscript{14}. Finally we conclude that in the same way as the fiscal illusions exist and differences between real and perceived outcomes of policy are generally accepted, there also exists a difference between real and perceived support of voters for the cabinet. This “support illusion” could be counted as one possible reason (in combination with other factors) of policy failure.

\textsuperscript{12} see part 1.2.
\textsuperscript{13} see beginning of part 2.
\textsuperscript{14} The paper was edited by the author in 2010: The health reform introduced in 2006 was partly implemented during the year 2007 (implementation of patients’ co-payments into the system) but the whole reform plan failed in 2009. The Ministry of Health lost its support and consequently the cabinet was forced to demission (not only for health-reform circumstances). Following attempts to cancel or minimize the patients’ co-payment have shown the effort of the opposing political parties to gain political support through fulfilling most voters’ wishes. The difference between real and perceived support to the cabinet’s intention which was shown in the paper was at least partly proven.
References


Review of Ministry of Health. Available at http://cs.wikipedia.org/wiki/Seznam_ministr%C5%AF_zdravotnictv%C3%AD_%C4%8Cesk%C3%A9_republiky (Accessed 1 July 2008).

Appendix 1: Problems in the Czech health-care system

<table>
<thead>
<tr>
<th>Issue</th>
<th>Percentage Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relation between patients and physicians</td>
<td>5.9, 23.5, 50.5, 14.2, 5.9</td>
</tr>
<tr>
<td>Availability of health-care services</td>
<td>5.9, 27.8, 49.3, 13.0, 4.9</td>
</tr>
<tr>
<td>Quantity of health services</td>
<td>6.1, 32.5, 36.7, 6.6, 18.1</td>
</tr>
<tr>
<td>Quality of health services</td>
<td>9.3, 34.9, 43.0, 7.3, 5.5</td>
</tr>
<tr>
<td>Economic aspects of drug policy</td>
<td>28.6, 45.5, 12.0, 12.7</td>
</tr>
<tr>
<td>Services provided by health-insurance companies</td>
<td>36.2, 39.6, 8.9, 13.6</td>
</tr>
<tr>
<td>Financing of public health-care system</td>
<td>37.0, 45.8, 73.0, 9.4</td>
</tr>
</tbody>
</table>

Appendix 2: Method for the analysis of voters’ opinions

The first step is to analyze the pre-election program for each political party, which successfully entered the Chamber of Deputies. The evaluation is based on the part of the pre-election program related to health-care tasks and considering basic party ideas. Six normative statements \( (v) \) of the health-care system were chosen. These statements \( (v) \) expressed support for (agreement to) the idea of:

- solidarity principle in health-care provision;
- competition among health-care providers and insurance companies;
- increasing patients’ co-payments;
- increasing public budget support;
- powerful role of the government in the health-care system;
- no restrictions in provided health-care services.

Based on an analysis of the pre-election programs, each political party’s opinion was determined for each given statement regarding the health-care system. Each party’s attitude to the given statement \( (v) \), is given by \( C \in (0;1) \), where:

- \( C = 1 \) is strong support of the given statement (the party’s election program expressed aims correlated with that idea);
- \( C = 0.5 \) shows neutrality (the party’s election program declared neutrality or possible areas for negotiation);
- \( C = 0 \) means opposition to the statement (the party’s election program expressed disagreement with the idea). Results of this analysis are included in Appendix 2.

Each party’s attitude to the given statements, based on an analysis of the election programs \( (C) \)

<table>
<thead>
<tr>
<th>Year 2006</th>
<th>ODS</th>
<th>KDU-ČSL</th>
<th>KSČM</th>
<th>ČSSD</th>
<th>SZ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solidarity principle in health-care provision</td>
<td>0.5</td>
<td>0.5</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Competition among health-care providers and insurance companies</td>
<td>1</td>
<td>0.5</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Increasing patients’ co-payments</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Increasing public budget support</td>
<td>0</td>
<td>0.5</td>
<td>1</td>
<td>0.5</td>
<td>0</td>
</tr>
<tr>
<td>Powerful role of the government in the health-care system</td>
<td>0</td>
<td>0.5</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>No restrictions in provided health-care services</td>
<td>0.5</td>
<td>0.5</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Pavlík (2007)

Note: If the party did not succeed in the election year, its result is “x”
The party’s attitude (C) was compared to its election result (R) expressed by the percentage of gained seats in the Chamber of Deputies. By summarizing the attitudes of all parties to a statement in a given election, we can find out the level of support for each normative statement. In other words, the summarizing makes an expression of voters’ preferences for a given statement possible.

The result for the one election year (n) is given by the following formula:

\[ S^n = \sum_{p=1}^{6} \left( C_p^n \times R_p^n \right) \]

Where \( S^n \) represents the ratio of support for a given normative statement (\( v = \{1, 2, ..., 6\} \)) in one election year (\( n = \{2006\} \)) across the spectrum of political parties (\( p = \{1, 2 \ldots 6\} \)).

\( C_p^n \) represents the ratio of a party’s support for a given statement (\( v \)) in a given year of election (\( n \)). And \( R_p^n \) represents the election result for a given party (\( p \)) in a given year of election (\( n \)).

Election into the Chamber of Deputies in the year 2006

<table>
<thead>
<tr>
<th>Party / 2006</th>
<th>% of seats</th>
<th>% of acquired votes</th>
</tr>
</thead>
<tbody>
<tr>
<td>ČSSD (Czech Social Democratic Party)</td>
<td>37.00</td>
<td>32.32</td>
</tr>
<tr>
<td>KDU-ČSL (Christian Democrats)</td>
<td>6.50</td>
<td>7.22</td>
</tr>
<tr>
<td>KSČM (Communist Party of Czechoslovakia)</td>
<td>13.00</td>
<td>12.81</td>
</tr>
<tr>
<td>ODS (Civic democratic party)</td>
<td>40.50</td>
<td>35.38</td>
</tr>
<tr>
<td>SZ (Green Party)</td>
<td>3.00</td>
<td>6.29</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>94.02</td>
</tr>
<tr>
<td>Poll</td>
<td>64.47</td>
<td></td>
</tr>
</tbody>
</table>

Source: assembled by the author from election results available on www.volby.cz

By applying this formula to more than one election, we could also find out if the preferences change over time (e.g. according to the victory of left- or right-oriented parties).

For the purpose of analyzing the distortion of voters’ real preferences, we could modify the results \( S^n \) and contrast this with results of public polls (figure 1). As was mentioned above, the limit of such an analysis is that the “non-voters’ opinions” would not be reflected in the results. Therefore we assume that “non-voters” are “voters” without an opinion. This modification enables a comparison with the
above-mentioned public poll. For the modification of the results this formula was used:

\[ vB^n = vS^n \times \frac{E^n}{100} \]

The rate of voters’ participation in the election (poll) is represented by \( E^n \), and \( vB^n \) shows voters’ support expressed by voting for the given statement in the given year of election.
Appendix 3: Support for given statements, respecting “non-voters”, in the year 2006 (%)

Source: Pavlík (2007)
Introduction

Over the past 20 years or so, “under economic pressures from globalization, political pressure from disgruntled citizens and technological pressure from new ICTs, bureaucracy was bound to collapse and be replaced by something similar to NPM” (Pollitt 2006, 35). Evaluation, especially government-performance measurement, a systematic assessment of public policies, programs and projects, attracted almost everyone’s interest: politicians, civil servants and the public. However, does it perform properly? Is it implemented efficiently and does it achieve its objectives? Does it function as a response to the needs of the public and make the public participate better and more effectively? Is it a universal therapy or should it be transferred according to the local situation? There has been a huge debate on these questions over time.

China entered this field in the 1980s. Instead of being implemented at the central level, government-performance measurement was sprung up for different reasons in different local places and was “edited”, “translated” or “customized” for each different context. Nowadays, China has achieved fruitful results in both theoretical research and practical exploration. This paper is just a platform for you to know more about these in depth.

1. Theoretical research evolution

Since the restoration of administrative science in the 1980s, efficiency and effectiveness have been being primary topics for academic studies, and the respective techniques, such as MBO and performance measurement, caused a common concern. Based on the objective responsibility-system practices of some Chinese departments like the Ministry of Finance, the Ministry of Education, the Ministry of Agriculture etc., China’s academia started its theoretical research on government-
performance measurement in the mid-1990s. By now, it has roughly experienced 3 stages (Lan and Hu 2007).

1.1 The first stage (1994–1999): initial exploration

Entering into the 1990s, Chinese scholars spontaneously and selectively translated some conceptions, mechanisms, methodologies and technologies of Western government-performance evaluation and management. As Chinese academia began to use the concept of performance measurement, its meaning was most equivalent to individual performance appraisal (Lu and Liang 1993; Zhou 1991). Two articles translated and edited by Zuo Ran in 1994 (David 1994; John 1994) first introduced performance measurement focusing on organizational assessment. Zhou Zhiren highlighted the backgrounds, characteristics, indicator design, 3-E connotation and the role of UK government-performance measurement and analyzed the main defects of Chinese practices in 1995 (Zhou 1995a). Nevertheless, the amount, size and extent of such a simple translation and interpretation were too generalized and scarce to raise great concerns from academia or the government.

1.2 The second stage (2000–2003): research and development

Since the beginning of the 21st century, Chinese academia began to open its forum towards systematic studies and research on government-performance measurement. The studies at this stage were mainly focused on fundamental theories of both the connotation, features and functions of performance measurement and the practical guidance or implementation of various governments (Du 2000; Mu 2001; Sun 2001; Chen 2003; Liu 2003; CSPA 2003). The translations and introductions were much more systematic, not only Western models adopted and transferred to Chinese top-down institutional designing with constant readjustments of the baseline and criteria for Chinese practices, but also revisions of these models from the perspectives of practical problems and implementation feasibility, emphasizing on more and more institutional construction (Zhang 2000; Tan 2001; Cai 2002; Li 2002; Jiang 2003; Yan 2003; Xv 2003). From the above, we can see that the research at this stage was focused on government-performance evaluation. With the expansion of academic attention and research groups, government-performance-measurement studies presented a systematic trend then.

1.3 The third stage (2004–): systematization, specification and innovation

From 2004 on, the theoretical research boomed and became much broader and deeper. First, “performance measurement” appeared in formal documents of the State Council in 2004, which indicated its official recognition by government and society, and the conceptions of “Scientific Outlook on Development and Service-Oriented Government” launched by the central government and party also vitalized...
the corresponding studies and researches. Second, the research groups and individuals grew rapidly and produced many systematic, specific and innovative results.

Systematization refers to the focus transfer from performance measurement to performance management (Wu and Yan 2004; Zhang 2006; Sun and Zhou 2008), the decomposed appraisal branches such as public utility management in local government (Peng 2005), the public expenditure program (An 2005), local taxation management (NSSF 2005), institutions and enterprises (Deng 2008), and multi-functional researches such as HRM (Fu and Xv 2004), public finance (Ma 2005) and citizen satisfaction (Deng 2006).

Specification refers to in-depth studies on specific topics such as evaluator formation and its theoretical basis (Chen 2005; Zhuo 2004), citizens’ role and citizen participation (Wu 2007; Zhou 2008), motivations (Ma and Ma 2005), powers originated in local governments (Bao 2005) and basic procedure and results utilization (Peng 2004; Sun 2007).

Innovation refers to creating and building theoretical frameworks and operational tools of performance measurement with Chinese characteristics based on Chinese reality and government strategy, which presented a prosperous and distinct trend (Zhang, Li and Feng 2007; Cai 2007; Chu 2008; Ma and Ma 2009; Chen and Chen 2007; Zhuo 2007; Ni 2008) Above all, degree courses on government (public sector) performance measurement were introduced at many universities, and institutes upgraded theoretical research more towards systematization.

In sum, Chinese government-performance-measurement theory has been developing quite steadily and effectively. It not only reacts positively to the governmental decisions and policies but also closely connects with Chinese governmental reforms. As sponsors, senior experts, project managers and even independent evaluators, Chinese scholars have actively participated in designing, implementing and improving the work of local government-performance evaluation and systematically summarized and reviewed the relative practices so as to constantly provide more guidance for various government reforms. As for the future studies and research of government-performance measurement, China will focus on its theoretical system construction of more precise academic connotation and explanation, building and implementation of the evaluation-indicator system and functioning mechanisms and concrete evaluation generalization at a specific level, in a specific sector and for a specific project.

2. Practical exploration

As I have mentioned above, with the in-depth economic and administrative reform, government-performance measurement had been broadly rooted in government functions and really played a very significant role in building a modern, lawful, responsible or transparent government. It is not only a means to promote conceptual
changes and functional transformation, but also a new way to improve administrative effectiveness, the public-service quality and government images. Moreover, it can play a guiding role in breeding citizen participation, mobilizing the democratic process, reinforcing government responsibility and service awareness and promoting management-mode innovation.

“In absence of uniform regulations and guidelines from the center, reform activities have been mainly an endeavor pursued by governments at sub-national levels on voluntary basis, implying a decentralized system of performance management and leading to great variety in practice.” (Zhou 2009a) That situation is quite similar to performance measurement; governments at sub-national levels have been practicing approaches of one kind or another, but each has its own developing path. Since it is impossible to cover all practical approaches and tools in such a limited paper at one time, I will choose herewith four approaches to introduce in detail.

2.1 The Objective Responsibility System

From the mid-1980s to the beginning of the 1990s, China practiced a reviewing or appraisal method called Objective Responsibility System (ORS). This method takes Management by Objectives (MBO) as its practical rules and focuses on self-management, self-review and self-improvement. At the beginning of a year, the government sets its goals and decomposes them into concrete and operational objectives and tasks for individuals. With the relative techniques and skills of performance measurement, the government will review the fulfillment of those objectives and tasks in the end and use the results to further improve its own work efficiency. As a matter of fact, the Objective Responsibility System in China closely connects the objectives and responsibilities of organizational heads (leaders) with those of organizations or departments, so the individual performance-measurement of the department head is quite similar to that of organizational performance evaluation. When the China City MBO Association was established in 1988, 13 large and middle cities participated (Zeng 2002). However, ORS at this stage had no unified or compulsory requirements for local governments to implement, nor did it have uniform guidelines or standards to provide. So the practices were quite voluntary and diversified.

After the 1990s, the Objective Responsibility System was systematically promoted from the central government to the local ones and mainly focused on economic growth. The goals were decomposed into objectives and tasks from top to bottom, and the performance results would be closely connected with the promotion, demotion, reward and punishment of the officials concerned. Such an economic-oriented ORS has promoted the rapid economic growth in China. Zhou Zhiren summarized this system as intrinsic, unilateral and control-oriented (Zhou 2008). “Intrinsic” referred to the fact that performance measurement was organized and executed only by the government itself, and the results were mainly used for internal consumption. “Unilateral” referred to the fact that performance measurement was only conducted
from the upper level to the lower level and from the government to SOEs and institutions, but not vice versa. “Control-oriented” referred to more internal control and supervision. The Qingdao approach is a very good example of a dynamic process-performance measurement (see Box 2.1).

**Box 2.1 Qingdao Model: An example of the Objective Responsibility System**

The Qingdao model is a typical one that combines performance measurement with ORS to achieve the improvement of government efficiency. First, *it builds a high-level structural arrangement* – an MBO Performance Appraisal Council directly led by the principal leader of the Municipality. Under this umbrella, there are 1 organizing and coordinating office and 2 strong executing agencies (one is the government-supervision office, the other is the party-supervision office). Second, *it creates standardized assessment procedures* – according to the principle of compatibility of function and capacity to classify the evaluatees into 7 groups and set the proportions of 4 grades in each group. The final results drawn from the annual review are that daily check and democratic deliberation should depend on both official appraisal of the coordinating office and opinions of superiors and subordinates. Third, *it initially realizes diversification of evaluators* – in scientific and democratic indicator-designing, service receivers, experts and MPs are invited to participate in various deliberative processes to ensure the scientific and democratization of indicator designing and supervision. Multi-player evaluation produces more authorized and convincing results. Fourth, *it builds up rigorous vertical and horizontal networks*, namely, vertically it turns important policies, tasks and plans into the concrete and quantitative indicators and horizontally it coordinates various responsibilities, authorities and benefits and clearly defines the concrete responsible leader, department or person to construct an up-down responsibility system layer by layer. Last, *it emphasizes the utilization of measurement results*. The model closely connects performance-measurement results with leadership appraisal, and each result can be quantified directly with the fame or shame of the relevant responsible leader of the municipality (Du 2005).

As a matter of fact, practice in Qingdao has achieved pretty good outcomes indeed. First, it effectively transforms the government policies and decisions into supervisory, operational and measurable indicators, and such clear and defined functional indicators can make each party know what exactly he or she should or should not do, which is the foundation for governments to improve their efficiency and effectiveness. Second, it helps to carry out the Scientific Outlook on Development. With a scientific indicator-designing-process according to various characteristics and priorities among regions and cities, performance measurement does play the role of orientation in development structure and benign competition. Third, it combines a motivation mechanism with a supervision mecha-
nism and creates a very good institutional environment for sustainable and fair talent training, selection and management.

However, it also presents some defects. First, it is to be required to list all the objectives and tasks as detailed as possible, instead of just measuring the accomplishment of the ones listed, and never caring about other things beyond the list. Such a process will affect the comprehensiveness and fairness of performance measurement. Second, the assessment base is not the institutional authority but the leader’s authority, that is, the success or failure of assessment should depend on the determinants and persistency of the leaders but not on the institutionalized security. Third, the measurement puts more emphasis on quantification and scientification but less on value choice, that is, too much focus on operational details but a lack of independent-value orientation, so it is hard sometimes for evaluatees and the public to recognize the results.

2.2 Effectiveness supervision

This approach combines supervision with checking activities on efficiency and effectiveness, in which the evaluators are the disciplinary inspection and supervision departments of the party and government, the evaluatees are the party and government departments, SOEs and institutions, and the evaluation contents are the efficiency, results, outcomes and quality of government management and operation. It combines two functions: effectiveness supervision and integrity supervision that mainly focuses on corruption prevention in advance.

On the provincial level, this approach serves as a means of integration or centralization of the Office of Effectiveness Building for planning, organizing, coordinating and guiding, but it decomposes or decentralizes professional evaluation or assessment affairs to each class of profession or industry. In indicator designing, this approach changes its focus from only GDP to GDP, social development and environmental protection and then to economic growth-mode transformation and self-innovated capacity building. Besides, each level and area can readjust the sub-criterions adapting to its real situation.

Effectiveness building includes diversified mechanisms such as post-responsibility system, service-commitment system, objectives-examination system, public-service innovation, public-affairs openness, effectiveness inspection and performance evaluation. One-stop shop and procedural rationalization are good products from administrative reform and have gained excellent fame for efficiency and customer satisfaction. The Fujian approach is a good case for such a comprehensive and systematic way (see Box 2.2).
Box 2.2 Fujian Model: An example of Comprehensive Effectiveness Building

This model aims to host comprehensive review and evaluation on the efficiency, effectiveness and quality of government work in order to improve the government's working mechanism and promote honest, diligent, pragmatic and highly efficient performance. From 2000 on, the Fujian province has established a steering group, led by the governor and an executing office, which directly reports to the Provincial Supervision Bureau, to specially execute performance assessment all over the Fujian province. It created many innovative mechanisms such as first-encounter responsibility, sufficient information at one time, completion within time limits, reporting in case of denial, publicity requirement and performance appraisal and sanction. In 2005, based on conceptions of sustainable development, modernization construction, harmonious society and efficient and clean government-building and by means of indicator evaluation and public interviewing or checking, performance-measurement practice in Fujian has greatly promoted the effectiveness of government work. And aligning with the results of performance measurement, the provincial government also follows up with a new reward and punishment mechanism, that is, making the decisions to fame or shame their departments and employees on the basis of evaluation results.

Actually, this model demonstrates several main characteristics: (1) the leading group of performance measurement has very clear and definite power and responsibilities to regularly call on the heads of departments and to timely collect and feedback information and results; (2) the government defines a systematic indicator system for performance measurement including concrete goals, objectives and tasks, indicator-designing and evaluator confirmation, considers the overall situations in indicator-designing and combines qualitative appraisal with quantitative measurement. And most indicators, from common to specific, are quite adaptable to the concrete operation of government management; (3) the model involves diversified evaluators and comprehensively uses various methodologies such as Balanced Score Card, Common Assessment Framework, ISO 9001, Total Quality Management in the whole evaluation process. In particular, it successfully innovates and adopts the method of pilot first then spread out in gradual. Fujian is a province with 9 cities, nearly 36 million people, an area of 124,000 square kilometers, more than 6 languages and 6 minorities, so it is very hard and dangerous to promote a unified reform in one night. If we implemented any new Western methodology for the whole province at one time, it might cause various problems in conceptual changes, cultural adaptability, technical transfer and readjustment. Owing to this reason, the Fujian model is concerned with the disparity and complexity among different regions and cities, takes the pilot to try out methods one by one first and then spreads the implementation to a larger and larger scope based on the successful experience and lessons learnt in pilot areas.
Such a progressive method is quite suitable for the large and complicated situation and better for the government to control and solve the coordinative disputes in a harmonious and peaceful way.

In fact, the Fujian model focuses on 3 aspects: approach-designing, pilot development and result utilization. Such a practice completely demonstrates the concept of government-performance measurement and creates the conditions for the next steps in both process operation and system design. Therefore, it really represents a very good example of building a new and efficient government.

2.3 Citizen participation

This approach includes “transparency campaign, invitation of residents as supervisors or monitors of government agencies, satisfaction survey in agency performance measurement and mechanisms dealing better with public complaints” (Zhou 2009a). This model changed the traditional measurement ways from formalized government self-evaluation to citizen-satisfaction review. Shenyang, Zhuhai, Hangzhou and Nanjing etc. have sponsored satisfaction surveys, 10,000 people reviewing government and other activities to encourage citizen participation in government-performance measurement.

This model combines the up-down objective evaluation and the bottom-up satisfaction review, which demonstrates public-satisfaction principles and transforms the performance measurement from government-base to citizen-orientation and from result-focus to an emphasis on both process and result. It is an empirical practice of citizen-oriented government-performance measurement.

Such a method normally sets up a reviewing group formed by MPs, journalists and entrepreneurs to organize and execute satisfaction survey by means of anonymous votes and formal or informal visits. It also practices some form of a veto system or the last-out system (e.g. the department ranked as the last should be out of the list). Though many questions and criticisms are raised regarding the veto and last-out systems, citizen participation realistically played great roles in government-performance measurement. The Hangzhou approach is a good example of open government (see box 2.3).

Box 2.3 Hangzhou Model: A citizen-oriented practice

Owing to the constraints of development space and government ethos, at the beginning of 2000, the Hangzhou Municipality sponsored a satisfaction review for its 54 departments. The city established a leading group to specifically do this job and involved 4 kinds of evaluators: MPs from the party, Municipal Council and Municipal Political Consultation Committee; entrepreneurs; citizens; and evaluators from other departments (one form of mutual evaluation among all depart-
ments). Five years later, the municipality established the Hangzhou Municipal Comprehensive Review Commission and began to integrate all the appraisal or reviewing results, no matter where they come from. In August 2006, the municipality officially established an executing agency, the Office of the Commission, to take charge of comprehensive performance measurement and government-effectiveness construction.

First, the Hangzhou Model is a combination of the up-down model and the bottom-up model. Based on the techniques of MBO, satisfaction survey and effectiveness supervision, this model effectively restructures the resources in organizational construction, indicator-designing and supervisory management and fully demonstrates the effect of “1+1>2” (Lan and Hu 2008). Such a combination not only guarantees measurement effectiveness, enhances citizen's democracy and participation awareness but also plays the role of supervision over government work. In addition, through the institutional construction of public-express channels, it further enhances public trust in government-performance measurement. In contrast to other practices that only focus on measurement results or single top-down evaluation and supervision within or between governments, the Hangzhou model is also concerned with the whole evaluation process and introduces public participation to supervise government work, thus making government-performance measurement much more dynamic and adaptable to the transformation of administrative functions and much more flexible and timely to readjust the government policies in accordance with the needs and requirements of the public. That is a very good interactive model between the government and the public, and it is more sustainable and developed.

Second, the Hangzhou model transfers the emphasis from results only to both results and processes, thus effectively promoting the evaluatees to think about cost-efficiency, to optimize resource allocation in their administrative behaviors and finally to realize the effect of “TQM” (Lan and Hu 2008). Moreover, the Hangzhou model also introduces innovation indicators and provides motivation for innovation and excellence in daily government work.

Third, it improves the decision-making procedure by preparation, submission and feedback stages; innovates the mechanisms of public-opinion expression by making soliciting procedures, smoothening communication channels and encouraging citizen participation in the whole process; improves the expert-consulting mechanism by establishing various expertise groups or councils, consulting with experts for important policies and inviting experts to examine and check major programs; creates exchanging and interactive “platforms” for government, enterprises and citizens by opening many hotlines, internet pages and timely responded email boxes; builds a democratic appraisal system by drawing opinions
and appraisals from all social parties concerned and a social management system jointly participated by various stakeholders.

In general, the Hangzhou model has a certain positive significance in citizen-oriented and innovative government performance measurement.

2.4 Third-party evaluation

This approach takes intermediary organization as evaluators, that means, the government delegates its performance-measurement work to the civil society and changes itself from the evaluator to the evaluatee, while encouraging and supporting the third party as the evaluator, organizer and executioner of the whole evaluation process. This model changed the main reviewer from government to civil society, not only introducing scientific assessment systems and methods, but also making it possible to view government-performance measurement from a broader perspective.

The third party here is not only a reviewer but also the executor and organizer for the whole process. Such an institutionalization and organization of third party’s participation in government-performance reviews will be beneficial to building a harmonious society. Integrating government-leading with citizen participation, and short-term performance with long-term strategy will better move government management up to governance and even good governance. The Gansu approach is a special case for a transparent and harmonious government (see Box 2.4).

Box 2.4 Gansu Model: An initiation of third-party reviews

In 2004, in order to further change the government ethos and create a better environment for enterprises, the Gansu province delegated the whole performance-measurement work to the China Center of Local Government Performance Evaluation of Lanzhou University. This practice involved 14 municipalities and 39 provincial departments and aimed to improve the administrative capacity of local governments to create a legalized, trusted, service-based and harmonious environment for enterprises. The reviewers were mainly from non-public-owned enterprises, and the Center's expertise was responsible for the analysis of the result and for the final reports. The indicator systems were designed for municipalities and provincial departments respectively, and each part was classified as 3 kinds of reviewers: enterprises, superior government and expertise. Therefore, this model had 4 sets of indicator systems and 2 sets of questionnaires in total. And the final performance results depended on the comprehensive performance index. (CCLGPE 2005)

The Gansu Model has a great significance in creation of “the third-party reviewing government performance”. On the one hand, the fact that the government
delegates its performance-review work to academia shows that the government has confidence in the public and believes the public will make the scientific and fair evaluation of government performance, thus positioning the relationship of government and civil society towards a mature stage. On the other hand, the civil society forms a new force participating in government-performance measurement in an institutionalized and organizational way. From the practice, we can see that the government changes its role from reviewer to reviewee and only dispatches some working staffs to participate in the whole process, while the third-party becomes the main reviewer and even the executor and organizer of the whole process. As an access portal of citizens’ participation and appraisal in politics, the third-party reviewer is beneficial to the construction of harmonious society and will play a certain role in the formation of civil society and enhancement of government responsibility.

Nevertheless, third-party evaluation needs to consider the issue of self-discipline: its systematic activities in self-management, self-regulation, self-control and self-supervision. It is subjected to building an effective governance structure, improving regulations and norms and advocating core values to effectively exercise control and supervision, prevent illegal actions and increase self-discipline awareness so as to keep the third-party evaluators developing further in a healthy, orderly, stable and standardized way.

In sum, governance-conception changes not only clarified the status of government-performance measurement, but also brought about significant changes in evaluation models, implementation mechanisms, attention focuses and overlay spans. In the 21st century, Chinese academia and practitioners have focused more on social and people-based indicators and have made a great endeavor to build up a scientific government-performance-measurement system. Some indicator studies of “Green GDP” and “Well-Off Society” have been applied in practice. Some scholars also propose the systematic or integral performance-measurement systems for local governments to conduct diversified practical exploration. All in all, such practices have provided us with critical values to penetrate government-performance measurement in China.

3. Main problems and countermeasures

Multiple models of local practices in China summarized various theories in government-performance measurement and put different management methods into practice, which played an important role in Chinese administrative-system reform and management-mechanism innovation. Nevertheless, in comparison to Western countries, we still have many shortcomings such as geographical disparity and instability of core indicators, more toward economic indicators but less toward so-
cial and justice indicators, untransparent or unscientific methods and procedures, weakness in the utilization of proper results etc. Therefore, we still have a long way to further transform concepts, build relevant mechanisms and improve institutionalized, standardized and long-term performance measurements in China.

First, the rational definition of government functions is the prerequisite of scientific organizational performance measurement. In ORS, effectiveness supervision and other mechanisms, a prominent feature of performance measurement is to surround the core work of government. However, the core work of many governments is beyond their legitimate functions or responsibilities. If government-performance measurement is based on such outside functions, instead of the positive impacts, it will block government functional transformation, distort the government’s behavior, create contradictions between the government and the public and damage the government’s image. Power transaction and compulsory agriculture promotion are good cases (Zhou 2006). For example, when governmental departments feel stressed out for business attraction or investment, they will exchange their powers for making more money e.g. the court can provide favored commitment or some kind of privities; policemen can provide special security or protection; the educational department can provide preferential policy, or land administration can provide beneficial land resources. Sometimes, governments will carry out functions that do not belong to them, directly run businesses and use their administrative powers to deprive farmers from independent decision and operation, such as compulsorily promoting a certain crop and requiring all farmers to plant or build unified science and technological gardens rather than considering the overall differences and disparities. If government-performance measurements are based on such outside functions, we cannot gain positive results, and even more, such measurements will hinder the functional government transformation, distort the government’s behavior, produce disputes between the government and the public, and damage the government’s image. Therefore, the government should accelerate its administrative reforms, focus on its functions of policy-making and public-service provision and set the scientific and standardized baseline framework for performance measurement, so as to effectively enhance its public trust and image.

Second, government-performance measurement serves for both external accountability and internal control. Western developed countries focus more on external accountability, while China focuses more on internal control (Zhou 2008). Chinese reviewers are mostly government-affiliated themselves instead of social forces, and the contents are mainly targeted on internal control or supervision rather than on paying much attention to transparency, citizen participation and result-orientation. However, neglecting the external accountability and citizen supervision creates many unsuitable, unsatisfying and formalized results, such as “image project”, “principal project” or “performance project”. Therefore, the government should regularly publish its data and information, truly invite the public to participate and supervise the government work, sincerely improve its relationship with the
public and respond to public needs on time. Through the motivation and accountability mechanism of performance measurement, the government is supposed to gradually execute its work in a scientific, fair and reasonable way, greatly improve the quality and efficiency of public services, realize its rational, high-effective and clean administration and gain the public’s trust and support.

Third, for the results utilization, the disjointedness between measurement results and official promotion/reward and eagerness for quick success and instant benefit represents the two extremes of performance measurement. The first extreme will cause the formalization and non-sustainability of performance measurement, because without accountability for one’s decision or behavior, performance measurement may become a one-time movement and quickly fade away after the activity and seldom have impact on cost saving and administrative effectiveness enhancement. So the government should closely connect the measurement results with fame-or-shame motivation and accountability mechanisms, so as to effectively prevent administrative loss and dysfunction and make more careful and rational resource-allocation decisions. According to practical experience, the second extreme is more dangerous, because simplified fame-or-shame will raise the resistant feelings of evaluatees towards government-performance measurement, increase the falsifications and “play the game” behaviors and thus will counteract the outcomes of measurement. A case of police trapping 3 civilians to have a performance indicator in Gansu (Cheng, Liao and Hao 2004) rings a bell for us. Therefore, among the international practices, the “3 D Model” (Diagnosis, Development and Design), is more and more prevalent in performance measurement. And the “transaction of responsibility and flexibility” as well as performance budgeting are also very good examples of the maxim, “cheer for success but forgive failure” (Zhou 2006).

Fourth, the complexity of performance-measurement techniques is also a critical barrier for the effective development of practices. Owing to the different culture, economy, society, politics and laws or regulations, it is not so easy for China to directly and simply introduce or transfer the Western concepts and techniques of performance measurement. Moreover, it is hard for the government itself to define the exact functions of government work and the outputs and outcomes of government policies. The lack of appropriate methodologies and indicators will certainly complicate the process of performance-measurement practices. Thus China should thoroughly analyze the similarities with and differences from other countries and, based on a scientific outlook on development, innovatively design a simplified, standardized and comprehensive strategy of performance evaluation, formulate regulatory and supervisory mechanisms to continue the results and outcomes of the reform and apply a networking system to learn from each other and make overall progress constantly. EU CAF is a wonderful model to learn from (Sun 2006; Sun and Zhou 2008).
Last, the disparity of e-government construction is another barrier for comprehensive application of performance measurement. As you know, China is a big country, and the development among different regions is quite diversified. With the advantages of information and networking technology, e-government construction in large internationalized cities like Beijing, Shanghai and Guangzhou etc. has rapidly developed, which greatly supports the growth of performance evaluation in governments. However, the infrastructure in the Great West of China is far poorer than that of Eastern and coastal areas, and it is difficult for governments there to completely realize the e-government construction. Therefore, the “information islands” really block the integral application of performance measurement and restrain the passion and channels of citizen participation. To tackle this problem, the government needs to invest more on infrastructure construction and eliminate the disparity and imbalance as soon as possible, so as to build an integrated platform of e-governance and a uniformed criterion of performance measurement all over China.

4. Conclusion

In comparison to Western developed countries, whether in concept change, institutional construction or concrete operation, government-performance measurement in China still needs to be constantly improved and perfected. However, as a very important tool and driving force for government management, performance measurement is a convenient method to improve government performance and enhance service quality, and it is also an effective way for the government to innovate its management system. Virtually no matter whether for a modern and legalized government, an accountable and responsible government or a transparent and service-like government, performance measurement has played a significant role in all fields. Therefore, we should rely on the features of performance measurement and focus on the results and people to flexibly design the progressive routine and keystones of government-performance measurement in China.

References


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Who is affected and how severely?

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What three or four distinct options should be considered? What are their implications? What are their advantages and disadvantages?

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What is the proposed course of action? Why was it chosen over other possibilities?

**Implementation Issues**
What are the financial impacts of the proposed course of action? What are the implications for government operations? Will the proposal require regulatory or legislative changes? What is the proposed means of evaluation?

**Communications Analysis**
What is the current public environment? What are the key issues of contention, and how can they be addressed? What is the position of key stakeholders, both inside and outside the government, on the proposal, and what communication vehicles should be used for each? How does the proposal relate to government reform priorities? What is the objective of communication on this issue? What is the key message?