

BRIEF HISTORY AND CURRENT TRENDS OF PUBLIC ADMINISTRATION REFORM IN THE CZECH REPUBLIC¹

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Abstract

In its second part, the presented paper introduces and discusses current trends and persisting challenges of public administration reform in the Czech context, particularly the quality management in territorial public administration is a matter of focus.

Keywords: public administration reform, public management, quality management, e-government

1. Introduction

In the last two decades public administration reforms clearly attempted to improve administrative processes and improve relationships between public administration and its stakeholders. Vast amount of literature discuss the influence of various modern public management concepts (e.g. new public management, good governance, new public administration, new public service) and points out critical factors of effectiveness of administrative reform processes.

Czech public administration reform started after the fall of the communist regime in November 1989. With a certain simplification we may say that till 2004 the reform showed some characteristics of common trends of reform as described by Hesse (1998) who distinguished the following four phases of public administration reform in Central and Eastern European Countries (CEECs):

- a) transformation as the initial phase during which the old legal, political, social and economic orders irrevocably broke down and new structures began to be formed;
- b) consolidation, during which increased political stability allowed for a more systematic approach to de-etatisation, privatisation and marketisation;
- c) modernisation characterised by the need to overhaul institutional arrangements and to look out for “best practice”, a redefinition of the public sector, its extent, role and institutional make-up and the re-organisation of the machinery of central government as well as both the functional and territorial demarcation of competencies;
- d) adaptation towards the state of the art of public sector performance, as observed in Western environments, as well as towards the pressures brought about by the preparation for European Union membership.

As Hesse pointed out, in distinguishing these phases one has, of course, to be aware of their contingency when applied to different contexts. In the Czech context the individual phases did

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not always follow the phases in so straightforward way, particularly it can be seen when we discuss the stability of institutions and try to apply the reform phases separately to the reform of central and territorial level of public administration, where the number of phases may be even different – starting by transformation, followed by consolidation which went hand in hand or is followed by various modernization initiatives. The phases of reform influenced the implemented set of instruments which were supposed to increase the efficiency of public administration. All the phases also showed different level of coherence and systematism of reform management. Hesse's phases also refer to the period till 1998. In the Czech Republic, modernization aspects can be seen after the adaptation in some areas, in others the consolidation is still continuing. Since 2006, the Czech reform strategy has been based on the assumption that the established institutional system is consolidated and adapted to European requirements and reform initiatives has been refocused on various aspects of modernization - particularly incremental changes in managerial processes in individual public authorities, within the administrative system as whole and in relationships with administrative environment (i. e. in government-2-businesses and government-2-citizens relationships).

Since the current public administration configuration and reform aims are influenced by the previous development (i. e. the former processes or initiatives of transformation of the nationalised system of communist administration into a democratic public administration and preparation for the EU accession and their results) and some of the aims overlap till the present time, the first part of the paper briefly summarizes the history of Czech public administration reform in the period 1989 – 2006. In its second part, the presented paper introduces and discusses current trends and persisting challenges of public administration reform in the Czech context, particularly the quality management in territorial public administration is a matter of focus. The paper does not concentrate on political background of the reform and – therefore - also the current Czech political problems are not discussed.

2. Brief History of Czech(oslovak) Public Administration Reform in the Period 1989 – 2006

2.1 Territorial public administration and the development of decentralization and deconcentration

Initially, the main aim of the reform was the renaissance of democracy and democratic values in the legislation and, particularly, in the psychology and life of the society. This democratization of the legal and policy-making rhetoric went hand in hand with (re)development, empowerment and stabilization of the territorial self-government, i. e. the decentralization of responsibilities and the search for the adequate form of fiscal federalism. Among the proclaimed reform aims particularly the effort to implement the principle of subsidiarity and bring administrative activities closer to citizens were echoing. According to the reform policies, changes were supposed to be inspired by good practices of countries which had been reforming their administrative systems and processes longer and the reform was anticipated to bring and increase the legitimacy and prestige of public administration in eyes of the public, except for others by implementation of anticorruption measurements and empowerment of the principle of service to citizens as a leading strategic value for the post-communist administrative culture.

If we apply Hesse's notion of transformation and consolidation to Czech territorial public administration configuration, we may place it into the period 1990 – 2001 in the case of

municipalities and district offices, in the case of regions the period is even longer – lasting till the end of 2003 and in some respect – e.g. if speaking about consolidation of financial aspects as perceived by representatives of regions – even longer.

The decade after the change of regime, which was not the one-off, but continual process, brought the establishment and relatively high (political as well as economic) stability of general *municipal public administration* and its system (using the adjective general as a certain contradiction to “special” with regard to the amount of responsibilities of municipalities). The first post-communist decade established features of municipal administration which have been lasting till the present time. New legislation established municipalities serving as basic (in the notion of front-line and the first instance) public administration units.

The first post-revolution act on municipalities from 1990 brought a fundamental change in territorial public administration according to Czech administrative historians (e.g. Čechák, 2004). It followed the modern principles established already in the second half of the 19th century in the legislation of Habsburg monarchy and distinguished state administration (i.e. deconcentrated central administration responsibilities) and self-government and replaced the centralized hierarchical system of “unitary state powers” as exercised by national committees during the communist period (1948 – 1989). Municipalities were supposed to take on the most of responsibilities of the former local or municipal national committees. The act established a system of *one-tier territorial self-government* – municipal councils became the basic and only one level of territorial self-government, the higher self-governmental body was represented only by Czech National Council (i.e. the legislature body of the Czech Republic which was an important state body within the system of power of the Czechoslovak federation). The act also established the called *joined model of territorial public administration* in which the same body of a municipality may exercise not only self-governmental tasks, but also state administration, and this system was adopted also by the new legislation on municipalities from 2000 which is still valid. The act on municipalities from 1990 also established a specific category of more than 380 municipalities that have been exercising state administration responsibilities for citizens of more (smaller) municipalities – the called *municipalities with authorised municipal office* (sometimes called as “type II municipalities”). This brought first (and still raised) questions about optimal funding of state administration exercised by bodies of self-governments and about political accountability of municipal councils of municipalities with authorised municipal office for activities principally related to the State (that pledged only to guarantee only the “contribution” towards the expenses of state administration exercised by municipalities) for state administration activities delivered to other municipalities (within legally defined state administration districts) and also about capacities of civil servants of these municipalities to provide state administration services in the uniform and professional level across the state territory.

The first act on municipalities also enabled municipalities to merge with others and to split up. With regard to the split of a municipality the legislator did not stipulate any criteria of the minimum size of a new municipality established by the split-up (which must follow the results of local referendum). The act only assumed that the Ministry of Interior would decide on a proposal initiated by a municipality which intended to split. The ministry could reject the proposal if the newly established municipality could not fulfil its tasks. Still, the act brought *disintegration of municipalities* which were motivated also by administrative amalgamations that were realized during the last two decades of the communism. In 1989 there were 4120 registered municipalities in the Czech Republic, during 1990 1684 municipalities became

independent, during the period of 1990 – 2000 almost 2 200 municipalities became independent altogether, 35,6 % of which belonged to the category of municipalities with 200 – 499 inhabitants, 32,5 % to the category of municipalities with 100 – 199 inhabitants and 16,8 % to the category of 50 – 99 inhabitants (Vajdová, 2006). The disintegration has brought the current state of more than 6 200 municipalities of which more almost 60 % have less than 500 inhabitants and was decelerated by act on municipalities from 2000 which stipulated the minimum of 1 000 for newly established municipalities.

The first post-communist legislation from 1990 also established *district offices* – institutions which exercised state administration responsibilities many of which were taken from the abolished district national committees. Their territories came out from the administrative division of the state from 1960 which remained unchanged that time and defined 76 districts as territorial units. In the case of Plzen, Brno and Ostrava – the largest Czech cities – responsibilities of district offices were exercised by their city offices, in Prague responsibilities of district offices were exercised by its city office and also by offices of its town districts. Till the end of 1990s district offices had stabilized and served as important intermediaries between the state and municipalities (responsible also for allocation of grants, control of municipal economizing, methodical help for municipalities etc.) and also as front line (i.e. first-instance) state administration institutions in some areas (e.g. it was the case of driving licenses, personal IDs, establishing of hospitals, environmental protection etc.).

The abolishment of the system of national committees in 1990 also touched the *regional level* of public administration. It abolished the regional level of general public administration – regional national committees which were not replaced by general regional administration similarly to municipal or district level for many years. Responsibilities of abolished regional national committees were transferred mostly to district offices or to central level which started to create its *specialized “deconcentrates” and detached territorial workplaces* (e.g. financial authorities as specialized state administration authorities created within the hierarchy supervised by the Ministry of Finance, offices of labour as deconcentrates of the Ministry of Labour, but also deconcentrates of other than ministerial institutions – e.g. territorial cadastral offices) in territories which not always followed the administrative division of the state from 1960 (the mentioned districts as well as territories of regions created as administrative territories of 8 regional national committees). This brought the existence of more than 700 specialized state administration deconcentrates which were hard to coordinate even within individual hierarchies of central institutions in which they were established.

For several years after the change of regime, the creation of general regional level of public administration was only a matter of academic and political rhetoric. The final political outputs which influenced following administrative reforms are from 1997 when *constitutional act on regions* was passed which was supposed to come into force in the beginning of 2000. This act amended the Czech constitution from 1993 which presupposed the creation of higher self-governmental units in its unclear provision that spoke about “lands or regions” as higher self-governmental units and created 14 regions as regional self-governmental units (including the capital of Prague) and their territories (similar to territories of regions created in 1948). Since the act did not specify functions of created regions (it only generally spoke about their right to self-government and about a regional council as the main self-governmental body of a region), the main task of the following period was to reach a consensus about organization of regional public administration. The main question was whether to organize it similarly to municipalities (i.e. in the form of joined model established in 1990) or whether to separate

regional self-government and state administration in the different set of organizationally separated institutions as it was the case of Slovakian reform of regional level.

Possible ways of territorial (i.e. not only regional) public administration organization were indicated by the *Conception of public administration reform* from 1999 which is often branded as the first post-communist reform conception in the Czech literature. In particular, the Conception criticized high level of centralization caused by insufficient levels of public administration which led to establishment of chaotic system of deconcentrates and the system of “arrogance of power”, the unbalanced decentralization characterized by high number of small municipalities and also low level of their professionalism. The conception focused particularly on indicating the ways how to organize territorial public administration, its structure and responsibilities of its institutions and proposed three variants, each of which anticipated the abolishment of district offices and differed in junction or separation of self-government and state administration on the municipal and the regional level. The Conception recommended the separation of self-government and state administration exercised by institutionally separated self-governmental regions and regional bodies of state administration (i.e. the Slovak solution of regional public administration) on the regional level that would also incorporate (and abolish) the existing deconcentrates. It also recommended yielding of the organization of the municipal level to the time when such regions would be stabilized.

The *real solution was different however* – the result of political decision-making from 2000 (in the form of new act on regions as well as acts on municipalities and districts which in the slightly modified form are still in force) established the joined system of regional public administration similarly to the model of municipal administration created in 1990. From November 2000 when the first post-communist elections to regional councils took place, till the end of 2002 regions as self-governmental units which were also exercising state administrations existed simultaneously with district offices. District offices were abolished by the end of 2002 and their responsibilities (as well as the majority of their employees², software licences etc.) were transferred to bodies of regional self-government (into their self-governmental or state administration responsibilities) and to state administration responsibilities of new categories of 205 municipalities – the called *municipalities with extended responsibilities* (sometimes called as „municipalities of the III type“, „microregions“, or „small districts“, or “ORPs”). District offices (i.e. institutions, not districts as territorial units) were abolished although they were considered as the most stabilized administrative units in territories by some (e. g. Vidláková, 2001; Tesař, 2001; or Jurníková, 2002) and were missed by employees of smaller municipalities (to whom they had to help methodically according to the legislation) still in 2005 when we carried out the research focused on perceived quality of communication between regions and municipalities (see e.g. Špaček and Špalek, 2007).

The accepted solution of organization of the regional public administration caused some problems. Let us summarize only those who are still echoing in the current Czech administrative literature (e.g. Čechák, 2004; Vidláková, 2001; Grospič and Vostrá et al., 2004; Louda, Grospič and Vostrá, 2006; Mates et al. 2007):

- The first problem was caused by the new regional segmentation of the state territory already in 1997. The constitutional act on regions could not abolish the administrative segmentation of the state from 1960 which were in force because the majority of public

² More than 19 000 employees worked at district offices. Their allocation to municipal and regional offices is briefly described in reports on public administration progress of the Ministry of Interior (which are available here - <http://aplikace.mvcr.cz/archiv2008/sprava/vlzpravy/index.html> – but only in Czech).

authorities would lose their territorial grounds. After the legislator's approval of territories of new self-governmental regions there were *two existing administrative segmentations of the state* specified in legislation which have not been completely unified yet – the old administrative segmentation from 1960 which is still valid for the majority of deconcentrates (that have not been incorporated into state administration responsibilities of bodies of newly established self-governmental regions as presumed) and the new administrative segmentations that is relevant particularly for self-governmental and state administration activities of newly created regions and for several later years also for state administration responsibilities of the municipalities of extended responsibilities created after the abolishment of district offices.

- The design of regions created in 1997 did not take into account criteria of the European regional policy, particularly the characteristics of NUTS2 of that time – most of the newly created regions have less than 600 000 of inhabitants and – therefore – were not able to reach the NUTS2 financing mechanisms. This issue was partly solved in 2000 when the act on support of the regional policy administratively specified the Czech “*regions of cohesions*” as specific administrative hybrids whose political and executive bodies had to guarantee and manage the cooperation of (mostly) two or more regions (as specified by the act not by the agreement between individual regions) within the national system of funding of regional development. In reality, the system of regions of cohesion has been consolidated since 2006 in particular, since 1. 7. 2006 they have had their own legal status as separated legal entities.
- Still in 2003, the report of the Ministry of Interior on the reform progress criticized that the funding of the created regions had not been sufficiently solved, because their incomes were dependent on the state subsidies not on the system of tax shares as it was the case of municipalities. Also in the present time, the regions are funded predominantly by subsidies from the state (through mandatory expenses of the government). Although this mechanism has been criticized, such solution of funding is currently – in the situation of “blackouts” in tax revenues – may appear beneficial.

2.2 Central administration reform

Central administration was not being paid so much systematic and comprehensive attention for most of the time of the reform history after 1989. Mostly only the rhetoric and partial change of its structures (e.g. creation or abolishment of ministries and other central authorities) could be heard and observed in the first decade and first few years of the millenium, although the central level was criticized in annual reports of inter- and supra-national institutions (European Commission, Council of Europe etc.) as well as by domestic studies (e.g. Potůček a Strecková, 2002).

More systematic approach can be visible especially in the reform programme from 2004 which repeated most of the aims from the previous period, but attempted to implement project management ideas in the reform processes. This programme specified 5 main directions of reform and their projects most of which overlap to current reform initiatives which are introduced below. The reform directions can be summarized in the following Table.

During the projects implementation some problems occurred which were caused particularly by the inter-ministerial characteristics of the projects themselves. They are briefly introduced in reports of the Office of the Government which took on the responsibilities for reform coordination from the Ministry of Interior in the period from spring 2004 till summer 2006. Particularly the following issues were pointed out by the coordinating institution: bad

horizontal communication of information about projects, low level of cooperation of some ministries with the coordinating institution, different expectations of project teams, low awareness and interest of the public and political changes (see e.g. Úřad vlády, 2005).

Table – Reform directions of the Czech 2004's central administrative reform programme

| Reform direction | Name of the project |
|--|--|
| <i>A: Rationalization of central state administration processes</i> | A.1 Identification of mission (goals) of central administrative authorities |
| | A.2 Description and analysis of processes within central administrative authorities |
| | A.3 Elaboration of rules for “agencies for central state administration” functioning |
| | A.4 Central state administration reorganization |
| <i>B. Improvement of management in central state administration</i> | B.1 Effective horizontal communication and the support of nation-wide strategies |
| | B.2 Modern managerial techniques in central administrative authorities |
| | B.3 Better coordination of central state administration in relation to the territorial public administration |
| | B.4 Knowledge management |
| <i>C. Improvement of central state administration quality</i> | C.1 Implementation and development of quality management within the central state administration |
| | C.2 Regulatory reform in the central state administration |
| | C.3 E-government |
| <i>D. Implementation and improvement of state service in central administrative authorities</i> | D.1 State service act implementation (Act no. 218/2002) |
| <i>E. Rationalization of central state administration funding</i> | E.1 Improvement of financial and performance management |
| | E.2 Utilization of private resources for public investments |
| | E.3 Unification and enhancement of control in the central state administration |

Source: Annexes of the government regulation no. 237 from 2004.

2.3 Legal status of civil servants

The legal status of civil servants represents an important, but not completely consolidated field in Czech public administration reform. Particularly till 2003, the Czech Republic had been criticized for the absence of specific legislation on rights and duties of civil servants which went hand in hand with the absence of civil servants educational system. Education of civil servants was organized on ad hoc basis by various institutions, there had been no central institution which would coordinate it and reform programmes had been repeatedly pointing out the low level of professionalism and managerial competencies of civil servants in central as well as territorial public administration.

In 1999, the government approved the *Conception of civil servants education*. It aimed to prepare an educational system which would follow public administration reform and the accession to the EU, but left the education of politicians (particularly members of municipal and regional councils) unresolved. Still in 2001 the Czech Republic was criticized by the European Commission that „in particular, the Czech Republic still does not have a specific legal framework for its civil servants. The 1999 Accession Partnership established as a short term priority the adoption and implementation of the Act on the Civil Service. Furthermore, the Government’s 1998 Manifesto identified the Act on the Civil Service as one of the most important objectives to be reached by mid-election term (i.e. mid – 2000). The Act on the Civil Service has been proposed by the government and a first reading was held by Parliament in May 2001. However, discussions so far have shown that a sufficient consensus on the reform is still lacking in Parliament. In view of the key importance of this Act, this is regrettable“. The professionalism of civil servants was emphasized by the *Code on ethics of civil servants* which was approved by the government the same year but which was binding only in the state administration, not in self-government (even for employees who exercised state administrative activities in municipal bodies).

The birth of partial solution came the other year – in 2002 the legal status of civil servants has been specified in two acts:

a) the *act on civil servants of territorial self-governments* (act no 312/2002) which has already come into force and specifies particularly the process of recruitment of civil servants, their tenure, rights and duties of which it defines particularly the system of education, and coordination and accreditation duties of the Ministry of Interior. In other areas the act refers to the general Labour Law Code. It is binding for all executive employees of municipal and regional offices (regardless they exercise self-governmental or state administration tasks) and in some cases also for mayors of municipalities (particularly when the position of the secretary of the municipal office is not established).

b) the *act on state service* (act no. 218/2002) which specified in much more depth (if compared to the first act) the legal status of the majority of executive employees of central administrative authorities and their deconcentrates, but has not come into force yet. The legal force of this act has been postponed almost every two years since 2003, when it was to come into force according to its first version. Its implementation was incorporated into the central administration reform projects (see above). Let us remind some of the words of the 2002 European Commission’s report on Czech progress towards the accession: „Welcome progress has been achieved in the establishment of an independent, professional, stable and accountable public administration at central level. An important step forward was taken with the adoption of the Civil Service Act in May 2002 after difficult discussions and a close vote in Parliament. The Act creates a specific and comprehensive legal framework for the central public administration and reforms the existing arrangements in a number of key areas“, and point out also the statement of the following report that „the act sets forth a gradual implementation of its provisions during a transition period, which extends up to two years from entry into force. Moreover, further delay will occur as a result of the adoption by Parliament in July 2003 of a Government proposal to postpone its entry into force to 1 January 2005 due to the financial burden caused by the floods of 2002. This development is unfortunate, as the Czech Republic will enter the EU with a central administration at the very early stage of its reform process“. Among the reasons given for the postponement particularly the costs of new remunerations system and related savings measurements have been echoing.³ Currently provisions of the amended act on state service anticipate its legal effects since the

³ See e.g. EPIS. Právní novinky 43. týdne 2008: Účinnost služebního zákona znovu odložena až k 1.1.2012!, online, <<http://www.epis.cz/home/zajimavosti/43tyden>> (accessed 4. 4. 2010).

beginning of 2012, but in summer 2007 the government approved the *project of uniform and complex legal specification of civil service*. Ministry of Interior had to prepare an act that would unify as much as possible the fragmented legal specification of employees of territorial and central authorities utilising the stabilized positive practices stipulated in the act on civil servants of territorial self-governments. The project has not showed much progress, the Bill was being discussed publicly particularly in the period between the autumn 2007 till the autumn 2008. In July 2009, the (current and “temporary”) government passed the regulation which required the Ministry of Interior to submit the modified proposal of *act on civil servants of public administration and their education* till the end of 2009, current public information does not reveal more.

3. Current reform strategy and selected trends of modernization

3.1 Smart administration strategy

Much of the previous rhetoric about reform’s starting points and objectives can be explicitly or implicitly found in current reform initiatives. The reasons may be various – from not meeting the goals, over the incremental character of the reform, to the (sometimes headless) spread of the good governance ideas which has become very sexy in programmes of administrative reforms and modernizations in the world. We may observe that many aims overlap from the previous period and only the weights which are assigned to them in reform policies has changed.

Since autumn 2006 the reform coordination responsibilities have been transferred from the Office of the Government to the Ministry of Interior where new Department for regulatory reform and quality of public administration was established (which is now incorporated in the Department for efficient public administration). The transfer of responsibilities was supposed to unify the public administration coordination tasks of the Ministry which has also gained the majority of responsibilities of the Ministry of Informatics after its formal abolishment in June 2007 (also this change was reflected in the organization of the ministry where new department for e-government was established).

In July 2007, the government approved the document *Efficient Public Administration And Friendly Public Services – Strategy on Realization of Smart Administration in the Period 2007 – 2015* (“Smart Administration strategy”) which was submitted with regard to the preparation of the Czech Republic on drawing resources from European structural funds in the programming period 2007 – 2013. The strategy works with a hexagon of public administration, among its pillars ICTs can be found together with legislation, organization of its execution, citizen, bureaucrat and finances and also with the emphasize on good governance principles. According to the “situation analysis”, which forms a very brief part of the strategy, the central administrative level is characterized by very limited application of quality management and insufficient definition of responsibility for quality outputs. Among the key issues of self-government particularly deficiencies in managerial capacities of small municipalities, heterogeneous quality of services and low pace of innovation are emphasized, but only in brief and qualitative terms.

According to its authors, the strategy is incorporating following key principles: openness and transparency, accountability, productivity and effectiveness and also credibility and reliability. The strategy stipulates the following tasks of public administration reform describing the visionary state of public administration by 2015:

- improvement of policy-making and policy implementation through higher rationalization and transparency and implementation of strategic planning on the corporate level and in functional areas and their integration with budgets;
- improvement of quality and simplification of regulation;
- improvement of vertical as well as horizontal communication and ensure synergies;
- implementation of systems of continual quality management and evaluation of the practice (including the evaluation of clients' satisfaction and performance monitoring);
- more intensive use of ICTs and bringing public administration closer to citizens through ICTs ;
- fighting the corruption
- implementation of unified system of human resources management in public administration.

The Smart administration strategy was specified by partial documents in some areas which indicate clear prevalent orientation of the strategy on ICTs use in public administration (i.e. on e-government). In April 2008, the complementary *Strategy for development of services for information society* was approved which was supplemented by the *Integrated Operation Programme* ("IOP", approved by the European Commission in December, 2007), later the same year *Strategy of eGovernment Implementation in a Territory* was approved by the government. The technology-orientation of the Smart administration strategy can be seen also in the List of strategic projects which were proposed for funding from the European structural funds.⁴

Particularly the project of Czech POINTs had represented the most visible central government initiative till summer 2009. Although a number of services providing by Czech POINT has been growing and ministerial plans presume that Czech POINT terminals will allow its users to proceed with any communication with any public authority at any place in the future, Czech POINTs still represent a network of physical terminals that provide Czech POINT reception services mostly during office hours of public authorities. They mostly do not deliver services to users on 24/7 basis via the internet, but they transfer most of the requirements on its providers. For the providers it is necessary to ensure adequate equipment and other tangibles as well as abilities and skills of their employees (for example in the sense of Parasuraman and Zeithaml's quality dimensions which consider physical facilities, equipment, personnel, and communication materials as the most relevant tangibles) (see e.g. Špaček, 2009).

For the last 6 months another project – the called *data boxes* – has gained attention and refocused the discussions from Czech POINTs. According to the so called Czech "e-government act" (act on electronic transactions and authorised conversion of documents) the project was supposed to be effective since July 2009. The act specifies data boxes that are replacing the traditional paper-based communication between businesses (which are corporate bodies) and public authorities. For other subjects (including citizens) the establishment of their data boxes will be voluntary. The data boxes are established by the Ministry of Interior and serve as electronic depositories which enable sending and receipt of official documents in their electronic form (the called data messages). Czech POINTs are supposed to mediate the

⁴ See the document *Seznam záměrů strategických projektů pro čerpání prostředků ze Strukturálních fondů EU v rámci Smart Administration* which is available (in Czech) on the web of the Department for efficient public administration of the Ministry of Interior (<http://www.mvcr.cz/soubor/odbor-dozoru-a-kontroly-verejne-spravy-projekty-smart-administration1-pdf.aspx>).

access to data boxes. Their employees shall print out documents from data box or converse documents brought by a customer into electronic form (including its electronic signing) and send it to relevant public authority.

Czech eGovernment practice (including the project Czech POINT) is also dependant on the effectiveness of *legislation on basic registers*. The Bill has been already approved by both Chambers of the Parliament, in the case of Senate it was done so in February 2009. It is planned that the act will come into force in July 2010. The Bill specifies 4 basic registers (Register of Inhabitants, Register of Legal Entities, Register of Territorial Identification, Addresses and Real Estates, and Register of Rights and Duties) that shall replace many heterogeneous and often duplicate records of various authorities. Data from registers will be considered as authentic and civil servants will not be required to authenticate their accuracy. The act will require interconnection between registers through a special information system organized by a special institution Basic registers administration incorporated within the organizational structure of the Ministry of Interior.

The *Methodology on inclusion of public in preparation of government's document*, which was initiated already in 2006 and approved – in its pilot form - by the government in August 2007, represents another supplementary document to the Czech Smart administration strategy. The pilot methodology prescribed general principles of inclusion of the public like partnership, equal inclusion, information in advance enabling distant access to documents, clarity and comprehensibility, transparency and necessity to give reasons, sufficient inclusion, respecting alternative forms of inclusion, estimation of inclusion costs, annual reporting. The methodology was perceived as an important complement of the document *General principles of regulatory impact assessment (RIA)* which was approved by the government in August 2007, but which was already required by the central level reform projects from 2004 as introduced above. The current government approved the methodology in its modified form by its resolution (no. 1146) in September 2009. The resolution recommended that members of the government shall use the methodology particularly in the cases when their resorts carry out *regulatory impact assessments* and work with its methodology described in *General rules for regulatory impact assessment*. The resolution also requires the Minister of Interior to submit the Guide for inclusion of the public in preparation of governmental documents by the end of April 2010. Czech RIA methodology is incorporated into *Legislative rules of the Government* and requires that consultations with public shall become one form of inclusion of public within the process of evaluation of legislation proposals. Submitters of regulation shall prove that they consulted the public before they submit a final proposal according to the rules.

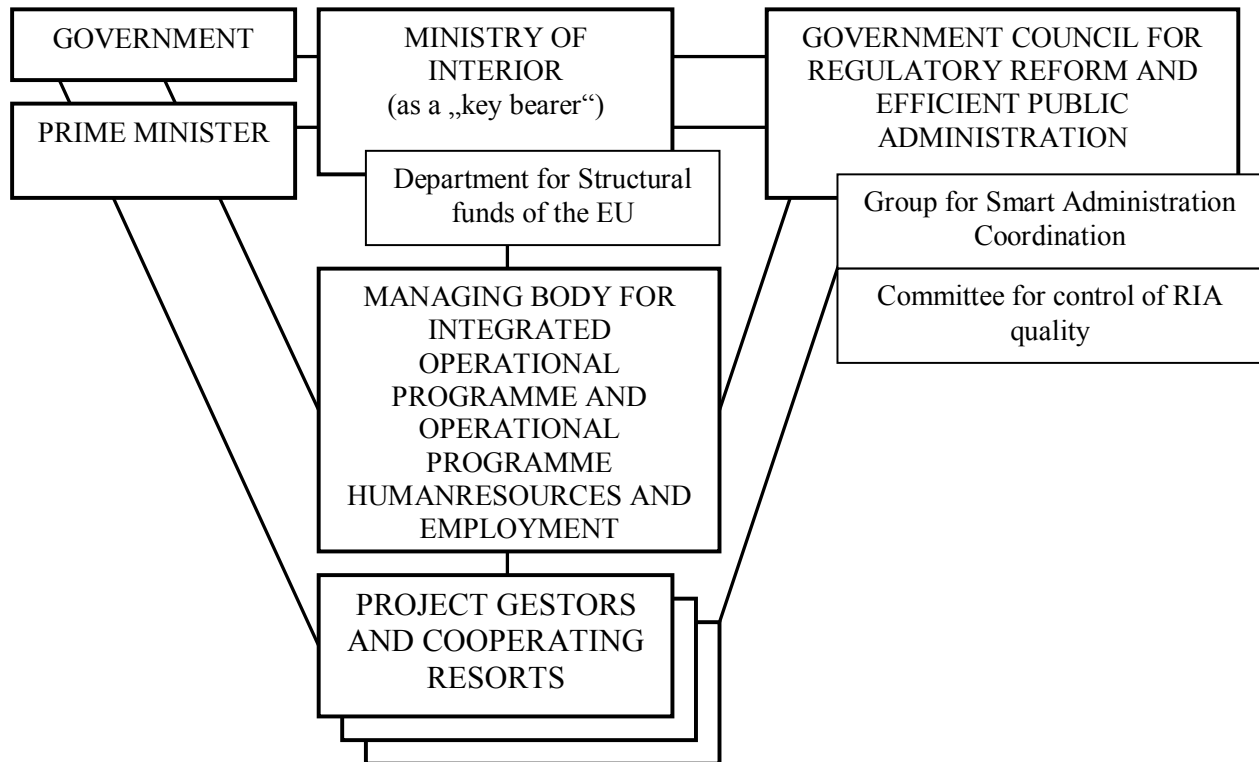
3.2 Institutional system of reform management

The Smart administration strategy and its implementation established the institutional system of reform management that can be summarized by the scheme stated below in the following Figure 1.

The *Ministry of Interior* represents “a key bearer” of the reform and its management. The Minister of Interior is a president of the *Gremium for regulatory reform and efficient public administration* which is an inter-sectoral coordinating body of Smart administration substituting the Government Council which has not been established. The Gremium consists of central authorities, the Union of towns and municipalities of the Czech Republic, the Association of Regions of the Czech Republic and the Economic Chamber and shall comment

the proposals of legislation, approve project proposals, comments proposals of mid- and long-term conceptions, analyses and programmes.

Figure 1 – System of management of the Smart administration strategy



Source: The Smart administration strategy and its web pages.

The Smart Administration strategy presupposed that the *Group for Smart Administration Coordination* would be appointed which should coordinate elaboration and evaluation of projects, elaborate the projects schedule and inform the government about the reform progress semi-yearly and annually. Semi-yearly reports shall be submitted to the Gremium. Annual reports shall be submitted to governments. No such reports have been made available to public so far. Only minutes from the Gremium's meetings are available on its website. The Group for Smart Administration Coordination has published only the list of project proposed for the funding from the European structural funds within the Smart administration strategy on its web pages so far, the list does not comment the prioritization of individual projects nor their cost-benefit characteristics. *The Committee for control of RIA quality* has commented the RIA practice at least semi-yearly, trying to disseminate the good practice and published also one report on RIA effectiveness.

3.3 Quality Management in Czech Territorial Public Administration

Public administration reform brought not only the changes in administrative territory, content and extent of activities exercised by public authorities. Territorial public administration has become responsible for fulfilling of majority of administrative tasks thanks to realized deconcentration and decentralization initiatives. It also had to adapt to changes in legislation which sometimes stipulate duties to all municipalities regardless their size, although it is not

clear if the legislator knew the capacities of small municipalities (particularly those which have less than 500 inhabitants) (see e.g. Špaček, 2007). Hand in hand with the growth of administration and service delivery costs, needs of the public and requirements of legislation, and also due to demographical changes in society the necessity to search for efficient ways how to reach the goals has been emphasized. As supportive instruments quality management tools are often discussed in public administration.

In the Czech Republic, some regions and municipalities started to implement quality management tools already in late 1990s - which means much earlier than central authorities – using the instruments which were used in the private sector (e.g. EFQM, ICO norms, Balanced Scorecards and benchmarking) as well as the instruments which were designed for purposes of the public sector in particular (e.g. the EIPA's CAF, Local Agenda 21 and community planning instruments which attempt to include citizens into public decision-making processes and deliberations). Potential and limitations of Six sigma have not been accentuated in the Czech public administration and public sector in yet.

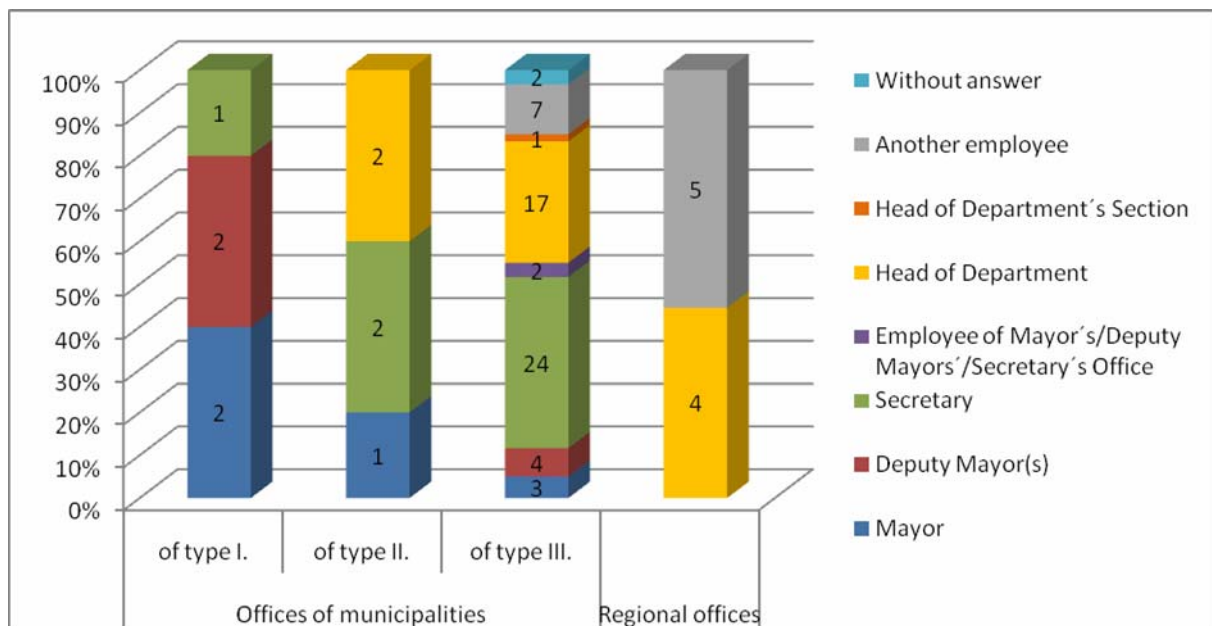
Quality management instruments are implemented within the whole organisation system of executive bodies or within some executive organisational units in the Czech Republic (e.g. ISO norms can be certified only in some department(s) of municipal or regional offices⁵). Some of our outputs, describing the quality management in Czech public administration, have been already published (e.g. Špaček and Nunvářová, 2009a). During March and April 2009, the co-author of the paper carried out the questionnaire survey which focused on quality management implementation in Czech territorial public administration. The survey addressed representatives from 264 municipalities and 13 regions (the Capital of Prague was included due to its specifics) which had implemented some of the “denominated” quality management instrument (CAF, EFQM, ISO norm certification, Local agenda 21 etc.) according to publicly available information sources of central authorities and non-governmental institutions which are still incomplete particularly due to the voluntariness of quality management implementation in the Czech Republic.⁶

In total, 70 representatives of municipal offices and 9 representatives of regional offices (i.e. 30 %) participated in the survey, the structure of the respondents is summarized in the Figure 2 below:

⁵ Municipal and Regional Offices are the fundamental executive bodies of a municipality / region, which carries out tasks from the both fields of responsibilities (state administration and self-government). The Office consists of a Mayor, Deputy Mayor(s) and the Secretary (not always) and employees in the case of municipalities and of the President and employees in the case of regions.

⁶ The survey addressed the authorities which: a) had participated the benchmarking initiative launched by the Ministry of Interior and were enumerated in the databases of the Czech Society for Quality, b) participated in the National Network of Healthy Cities (which attempts to monitor particularly the practices of Local Agenda 21 and community planning, c) had were awarded by the Ministry of Interior during the national quality awards between 2005 and 2008, d) had implemented Local Agenda 21 according to the CENIA's database, e) had implemented the CAF according to the EIPA's database, e) had implemented community planning mechanisms according to the database of the Czech Ministry of Labour and Social Affairs, or f) participated in the sustainable development initiative TIMUR. Some municipalities and regions were engaged in various of these initiatives (see also Špaček and Nunvářová, 2009a).

Figure 2 – Structure of respondents



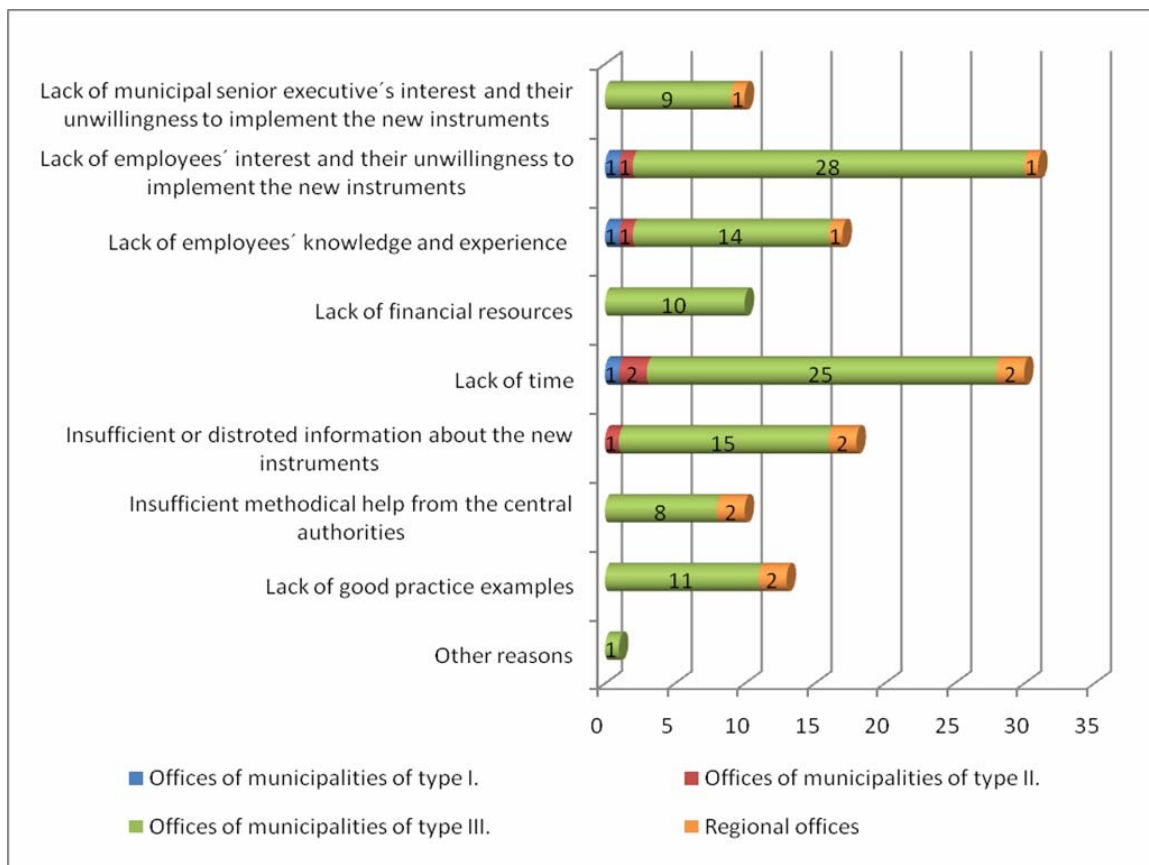
Source: The research of the co-author.

Some of the research results have been already published in partial studies (see e.g. Neshybová, 2009a, 2009b a 2009c). We may summarize the research results as following:

- According to Czech databases, at least one denominated instrument of quality management has been implemented by Czech *regions*. The EIPA's CAF was the most frequent (implemented by 11 out of 14 regions) followed by the benchmarking (8 regional offices participated in the benchmarking initiative), community planning was implemented by 4 regions and only one region have their processes certified by ISO norms. The survey in which 9 regions participated confirmed these numbers - CAF was implemented by 8 regions, benchmarking was utilised according to respondents of all regions, community planning was used in 7 regions, project management in 6 regions, Local Agenda 21 in 2 regions. ISO norms was certified and BSC implemented only in 1 region according to the respondents.
- Denominated quality management instruments are spread particularly within the category of *municipalities with extended responsibilities* (municipalities of type III) in which the largest amount of state administration is exercised (by their municipal offices). According to the available databases, 181 (88 %) of them implemented at least one denominated quality management instrument of which particularly the community planning (implemented in 153 of these municipalities) and benchmarking (utilised by 107 of them) were among the most frequent (followed by Local Agenda 21 which was implemented by 50 municipalities with extended responsibilities and the CAF implemented in 39 of these municipalities). According to the databases, only 9 municipal offices of the type III municipalities have their processes certified in compliance with the ISO norms. Representatives of 60 of these municipalities participated in the survey according to which the benchmarking and the community planning were the most frequent (implemented in 44 of municipalities in the both cases), about one third of municipalities of the III implemented the project management, the CAF and Local Agenda, ISO norms 9000 were certified in 12 of the municipalities, process management in 11 of the municipalities. Other instruments (like certification according to ISO norms 27 000 or 14 000, citizen charters or BSC were implemented only sporadically.

- The frequency of quality management instrument is much lower in municipalities with authorised municipal office (municipalities of type II). Out of the total 183 of such municipalities, only 26 have implemented some quality management tool according to the available databases (Local Agenda 21 was implemented by 15 of them, 4 of these municipalities participated in the benchmarking initiatives, 3 implemented community planning tools, CAF was implemented only in 1 municipality of type II). Only 5 of these municipalities participated in the survey most of which participated in the benchmarking initiatives.
- Municipalities which exercise only the basic amount of state administration (sometimes called as *municipalities of the type I*) represent the major group of front-line administrative institutions. Out of the total 5910 of such municipalities, only 54 (0,9 %) have implemented at least one of the denominated quality management instruments (mostly the Local Agenda 21) out of which only 5 participated in the survey (Local Agenda 21 was implemented in 3 of them, two municipalities implemented community planning and project management).
- The implementation progressed without problems in 31,6 % of the cases as stated by respondents. More than 52 % of public authorities which participated in the survey stated that during the implementation some problems occurred most of which were faced by municipalities with extended responsibilities. Among the most frequent problems particularly the lack of interest and time and unwillingness of frontline employees to implement new instruments were stated. Unwillingness and non-acquaintance of political representatives of the town was stated as the “other problem” in one case. Implementation problems - as perceived by respondents - is summarized in the Figure 2 below.

Figure 2 – Problems of quality management implementation



Source: The research of the co-author.

Almost 52 % of respondents would welcome larger methodical help from central authorities (particularly in the form of expert courses, consultation and uniform standards or guides), almost one third of respondents stated that they would not need any of such help. In the Czech literature particularly the EIPA's CAF and Local Agenda 21 are the most elaborated, in much lesser extend the BSC in the public sector. Documents of methodic help are available in the electronic form (particularly through the website of the Ministry of Interior or the website of the National quality policy).

Conclusive remarks

Speaking about real changes, after the change of regime, reform of territorial public administration has been more varied than changes in the central level in the Czech Republic. Regions were not created immediately after the regime change in 1990 as the basic municipal self-government level was after the formal abolishment of the former system of national committees that exercised the "unitary state power" on the local, district and regional territorial level during the communist period 1948 - 1989. Self-government was practically limited only to the municipal level for quite a few years. Territorial administrative areas of current regions were established after long discussion and the split of the Czechoslovak federation (1992) in 1997, but specified particularly in 2000. Although the territorial self-government faced many pressures caused by legislation changes which challenged the consolidation of their bureaucracies, regions and municipalities were implementing quality management instruments much more intensively than the central level.

Czech central government, as well as central executive authorities have not been passive if we speak about the rhetoric of public administration reform. The reform of central level was separated from the reform of territorial level, although the central level is responsible for the reform strategy and its framework. More specified initiatives of systemic changes in central level cannot be found before 2004, these initiatives are clearly technology oriented, but their planning cost-benefit effects have not been clearly introduced, so it is also the case of initiatives which have been realized (like Czech POINTs and others). In some areas the phase of consolidation has not been reached. It is the case of the legal status of civil servants, particularly those from the central level for whom the act on state service was passed already in 2004, but has not come into force so far. Also the planned e-government projects challenges the stability of public administration processes. We will see in few next years to what extent the problem-solution chain - as described by Bouckaert (2008) - will be applicable.

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