The growing attractiveness of the Bulgarian civil service: Fact or myth?¹

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Abstract: Following a difficult transition period with an increasingly inefficient public administration, Bulgaria

struggled to establish a professional, merit-based civil service. A slow reformer in that regard, Bulgaria initiated

reforms only with the start of accession negotiations and primarily due to the external pressure of the EU. Arguably,

with legislation in place and the adoption of EU standards and norms, the Bulgarian civil service has improved in

quality and has become more attractive. This paper examines the attractiveness of the Bulgarian civil service,

particularly vis a vis the private sector. The paper utilizes data from interviews, surveys, and official documents.

Short of offering policy recommendations, the paper identifies the key factors in attracting people to civil service

positions, namely the essence of the job, job security, and contribution to society. Pay, promotion and lower level of

stress, by contrast, are found to be the least attractive factors.

Keywords: civil service, civil service motivation, civil service reform, Eastern Europe, Bulgaria

-- WORKING DRAFT --

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According to the official 2010 Report on the State of the Public Administration in Bulgaria, civil service motivation is the key challenge facing human resource management in the public administration. The public administration, continues the report, has had hard time retaining quality employees and is practically incapable of attracting young, educated people and experts from the private sector (2010 Report on the State of the Public Administration). Yet, in recent years more and more graduates are considering a career in the public sector and more than few universities in the country have introduced programs in public administration. EU membership and work with EU institutions has been quoted by many as the key factors rendering the Bulgarian civil service more attractive today. Reform efforts in the past decade have also contributed to the growing attractiveness of government jobs, adopting a combination of material and non-material motivation strategies.

Job security, pay, professional and career development opportunities, work environment, etc. are factors widely covered in the literature. Apart from such factors that focus on the "homo economicus" or self-interested side of employee behavior, a growing body of literature argues that public servants place a greater value on the meaning of their work than on financial rewards or what is known as Public Service Motivation (PSM) theory. Perry and Wise (1990) define Public Service Motivation (PSM) as "an individual's predisposition to respond to motives grounded primarily or uniquely in public institutions and organizations" (p. 368). They argue that public servants choose public service because, first, they have a strong desire to participate in policy formulation; second, they seek public programs due to a personal identification with the programs; and third, they have a desire to serve the public interest. While definitions of the concept may differ, they all point out that PSM lies in individuals' altruistic motives, intention, and actions for the public interest and well-being of society as opposed to self-serving interest (Park 2013).

To say that civil servants are underpaid is a cliché and even more so in post-communist societies. Studies consistently report pay to be the last motivating factor for civil servants. Yet, many people are eager to take an opportunity to work for the government. In transitioning societies, this may be a function of economic downturn and instability that makes jobs in the private sector unavailable, similarly low paid or considerably more insecure. Dismantling of the socialist systems, on the other hand, has rendered civil service jobs just as vulnerable and insecure with major and frequent restructuring of government institutions. Hence, there is a good reason to believe that non-material and altruistic factors are no less important in attracting people to the civil service. This paper aims to examine the motivational grounds of Bulgarian civil servants in such transitional context questioning what are the key factors of motivation and how is civil service viewed in comparison to work in the private sector. The following section briefly reviews the reform of the civil service in Bulgaria which is important in understanding motivational factors and the way they have changed in the last two decades. Next, I examine the current state of the civil service in terms of number of employees, pay, and strategies for motivation of civil servants. After briefly discussing the methodology of the present study, I present empirical results that draw on surveys and interview and make some concluding remarks.

1. Civil service reform in Bulgaria

Reform of the public administration has been a pressing issue for all post-communist countries. Inheriting a legacy of oversized, inefficient, and highly politicized bureaucracies that served as an instrument of the party, East European countries struggled to establish modern and professional civil service systems. Political instability and economic downturn during the early transition period pushed back reform of the civil service in the list of priorities in several post-communist countries, including Bulgaria. Baker keenly observed that while political institutions and philosophies had changed, East European administrative systems had remained largely intact in the early years of the transition (Baker 1994). Dimitrova groups East European countries in three categories – full, partial, and no reform – when it comes to reforming the civil service (Dimitrova 2005). Bulgaria falls in the group of no reform of what Dimitrova terms "rhetorical reformers" in that it had not adopted any legislation on the issue until the late 1990s.

Civil service reform in Bulgaria has been largely defined by 1) the domination of the former communist elite, 2) difficulty in overcoming legacies of corruption and politicization, and 3) externally-driven reform efforts with lack of strong political will for reform at the domestic level and lack of clear direction of the reform (Ban et al. 2012). Multiple legacy effects, as well as domestic political conditions have influenced the course of the reform in the public sector.

Following 500 years of Ottoman rule and an externally-imposed Russian imperial model of public administration, newly independent Bulgaria (liberated in 1878) established a civil service that was marked by inefficiency, corruption and a high degree of politicization – characteristics that, despite reform efforts, persevere even today.³ With the advent of Communist rule in 1944, public administration was reformed along the Soviet model, marked by a fusion of party and state and an intimate relationship between the government and the public administration. In Bulgaria, Baker argues, "the public sector was the only sector" (Baker, 1994: 55). The result was a largely overstaffed and inefficient civil service with no accountability other than to the party, top-down decision-making with no room for management, and absence of any dissent. Incentives for efficiency were virtually absent, as delay and administrative hurdles created additional opportunities for spoils. The outcome was alienated public servants and endemic corruption – a legacy that has been extremely hard to break, posing a continuous challenge to the building of a professional civil service.

The early years of transition proved quite unfavorable to undertaking reform efforts. Entrenched former communist elites were reluctant to adopt administrative reform that would reduce their control over the allocation of state resources (Kostadinova and Neshkova, 2013: 6), while a weak opposition that failed to win the first post-communist elections was unable to champion reform efforts. In the absence of a clear will for reform of the public sector, some palliative measures were taken by various governments, but given the frequent change of governments (nine in the first seven years of the transition), there was no build-up of efforts. Modest steps in these early transition

³ Kostadinova and Neshkova examine the imperial legacy effect on the civil service and present data supporting the argument that post-communist countries that inherited common features from the Habsburg type of administration are more likely to undertake reforms in the civil service sector compared to countries whose administrations were shaped along the Russian or the Ottoman imperial traditions (Kostadinova and Neshkova 2012: 19)

years left the structure of the civil service mostly unchanged, while at the same time it doubled in size. The growth in numbers was not matched by improved efficiency. Excessive turnover, poor professional skills, lack of training and low pay, all mutually reinforcing qualities, made for an inefficient civil service that was further demoralized by allegations of corruption and low standard of living of public employees (Verhereijen and Kotchegura 1999: 92). Poor terms of employment and job insecurity (three-year contracts, no protection of civil servants who were employed under the general labor code) rendered the public sector particularly unattractive, contributing to high turnover and lack of professionalism. Frequent restructuring of ministries and state agencies used as a way to create new spoils positions for the party in power or a way to get rid of politically unsuitable public servants further aggravated the problems of politicization and high turnover.

Reform of the public administration and the civil service started with the negotiations for EU membership, with the EU becoming the key driver of reform. In 1997, the Commission singled out public administration reforms as a prerequisite for launching membership negotiations with the second wave of applicants, including Bulgaria (Noutcheva and Bechev 2008: 130). That and a newly found consensus among political powers on domestic priorities and foreign policy orientation, following a severe financial and banking crisis in 1996/1997, allowed for resolute action. Desire to join the EU and NATO became the main driver behind civil service reform (Ellison, 2007: 227) and in 1998 and 1999 respectively the government adopted the Administrative Law and the Law on Civil Service, and later in 2003 a Law for the Conflict of Interest. The new law set up a professional, merit-based system, with open recruitment, and two career tracks (management and expert). Subsequent reform efforts provided for training of civil servants, developing of new evaluation procedures, regulation of performance-pay, and more, all of which intending to improve the quality and attractiveness of the civil service, as well as to increase recruitment among high-skilled workers and young people.

At the same time there have been signs of backsliding. Senior positions remain highly politicized and even more so in recent years. Restructuring of ministries and state agencies continues to be used for political ends, bypassing the legal protection of civil servants. Performance pay (vaguely regulated by the law) has been used to reward political loyalty, while curtailing of civil liberties and new laws on phone tapping and other special investigation methods have effectively intimidated dissenting opinion. With the closing of the Ministry of Public Administration and Reform by the last government, reform of the public administration has moved back in the government priority list, data and information on the public sector has become less readily available, and training is not a priority. Nikolay Vasilev sees such developments as a clear sign of backsliding arguing "we are back in the state of chaos." The EU Commission seems to be of the same opinion as it most recently decided to extend the Cooperation and Verification Mechanism (CVM)⁶ beyond the initial five-year period that, among other areas, monitors measures taken to reduce corruption in the public sector.

⁴ The number of civil servants in the central administration rose from 15,912 in 1990 to 30,950 in 1995 (Vereijen and Kotchegura 1999: 126).

⁵ Interview with Nikolay Vasilev, May 9, 2012, Sofia.

⁶ The Cooperation and Verification Mechanism (CVM) or the so-called safety clauses is a form of extended conditionality that allows the EU to regularly monitor the progress in certain areas found to be problematic. In the case of Bulgaria, those are judicial reform, fight against corruption, and fight against organized crime. Two of the

2. Current state of the civil service

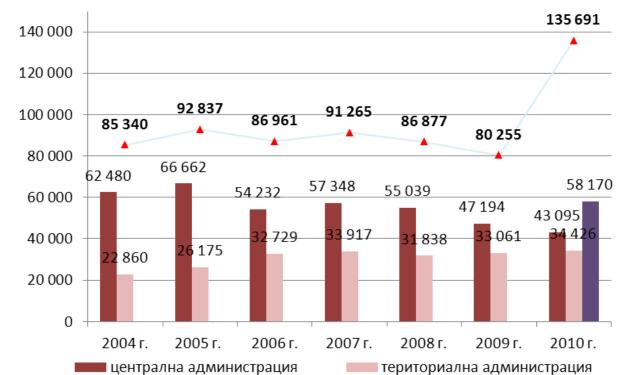
Currently, there are about 150,000 people in the public administration, with more than half employed in the central administration and the rest working in the local and regional administrations. About a third of the people are employed under the general labor code. The rest are under the law for civil servants and therefore enjoy a much higher degree of protection. In 2011, about 2,500 people were appointed for the first time on a government position, 64.6% of whom in the central administration and 35.4% in local and regional administrations. In the same year there were 1,742 promotions (2011 Report on the State of the Public Administration). In 2011, the average salary in the public sector has increased with 7.3% from the previous year to 710 lv. (€350). Despite annual increases, only 7.4% of administrative bodies evaluate the pay of their employees as being competitive. Most government institutions use additional material motivation such as performance pay (practiced by 44.5% of administrative bodies), project-tied bonuses (employed by 40% of administrative bodies), and work travel (used by 10.6% of administrative bodies, but 28.7% of the bodies of the central administration) (2010 Report on the State of the Public Administration).

Compared to the 1990's there has been reduction in size of the administration. In recent years the overall number of people employed in the public sector has remained stable, but the central administration has been continuously decreasing in size at the expense of increasing local and regional administrations (Fig. 1). This trend reflects the strategy for decentralization and a move towards a New Public Management (NPM) model of administration. The recent sharp increase in the overall number of the public administration reflects the adding of employees of the interior ministry to the category of civil servants. A clear positive development has been the increased percent of people employed under the Law for Civil Servants and the decreasing number of people employed under the general labor code (Fig. 2). While salaries are increasing, there has been a reduction of bonuses following several scandals in the media related to large bonuses in several ministries. Public administration continues to be a feminized sector, except for high management positions, and even more so in recent years. There is no official data on the age composition of the public administration. A 2005 study shows that young people tend to be more numerous in the central administration, particularly in ministries (Ilieva et al. 2005).

The most widely used motivation factors in recent years have been information and technological security, improving the quality of the physical environment, and training (2010 Report on the State of the Public Administration). Low pay has been compensated with the additional material motivation discussed above. Professional development and employee recognition are also used as key non material motivational factors. Career development, on the other hand, has encountered skepticism on the part of employees who do not see real opportunities for promotion. The central administration, being the one that works more with EU projects, has also been successful in motivating employees by including them in interesting projects. Few bodies have also used flexible work schedule to motivation their employees, but such practice remains an exception. The 2010 Report concludes that the various motivational strategies have not been used well enough and civil service motivation is

six benchmarks set by the Commission for Bulgaria are directly related to the quality of civil service in the country – pursuit of high-level corruption and corruption throughout the public sector.

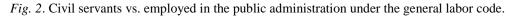
still not recognized as a priority. Continued neglect is bound to produce negative effects in terms of retaining and recruitment of quality employees, as well as the overall quality of administrative service.

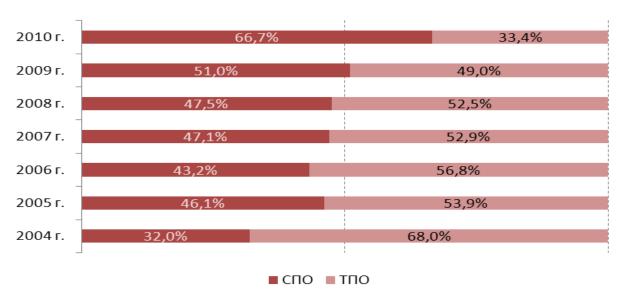


Общо

Fig. 1. Size of public administration by year

MBP





3. Methodology

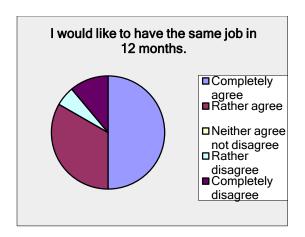
This paper utilizes surveys, interviews and official government reports. A pilot survey was conducted in April 2013, with 16 valid responses. The surveys were representative in terms of gender (primarily female), age (most respondents were between 25-45), and rank (all categories represented with an overrepresentation of the mid category which is also the most numerous one), and somewhat representative when it comes to government structure (most respondents working in ministries, i.e. central administration) and years of experience in the civil service (a binomial distribution with most respondents with experience under 3 years and 5-10 years). Interviews were conducted in March 2012 and included civil servants from two ministries (justice and interior), one state agency (investment) and the former minister of public administration reform, Nikolay Vasilev, who occupied that post at a crucial time (2001-2005) when new legislation was being implemented and amended. Official documents include Council of Ministers reports on the current state the public administration, legislative acts, strategic documents and plans of action.

4. Findings

We notice an overwhelming satisfaction with the job (Fig. 3). Both surveys and interviews indicate that overall civil servants are happy with their job. Here we need to consider the specific context, namely a post-communist country still dealing with the lingering effects of transition and a global economic and financial crisis that has led to increase in unemployment and less opportunities for work in the private sector. Despite such intervening variables, civil servants find their job to be rewarding considering the various material and non material factors.

Fig. 3. Job satisfaction

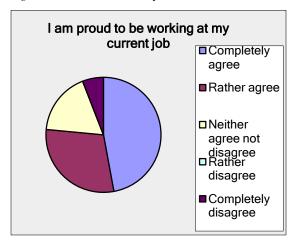


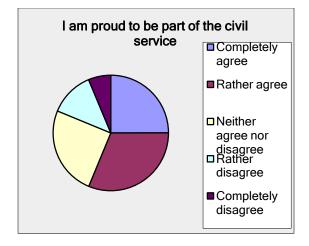


Results are different, however, when it comes to identification with the civil service (Fig. 4). While most respondents identify positively with their respective government institution or specific department, there are diverging opinions when it comes to identification with the civil service as a whole. This indicates that the civil service as a whole is not viewed as positively and that problems are seen as being mostly in other institutions than the one in which the respondent works. In fact, one interviewee objected when I referred to the public administration as "the bureaucracy", arguing that this is a very negative term that makes one think of all the inefficiencies of the

system. The same respondent also acknowledged that indeed there are a lot of problems in the public administration, but that his unit is very efficient and doing real quality work.

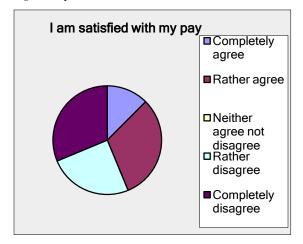
Fig. 4. Civil service identity

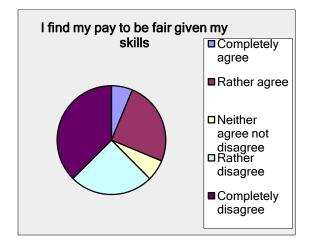




Not surprisingly, when it comes to pay, there is an overall dissatisfaction with the amount of pay (salaries and bonuses) and even more dissatisfaction when it comes to the pay matching one's skills (Fig. 5). Respondents also find their pay to be lower than in other government institutions and the private sector in particular. At the same time, there is an overwhelming satisfaction with benefit packages (exemption from social security and healthcare contributions, sick and vacation days, free bus passes, etc.), as well as an overwhelming agreement that benefits in the public sector are far better than those in the private sector. This is not surprising given the fact than many employers in Bulgaria make mandatory employee contributions to the state based on minimum wage/salary, even though actual pay is much higher.

Fig. 5. Pay satisfaction





Job security proves to be an important aspect of the government job. All respondents agree that they find their current job to be secure and most do not worry about losing their job. Yet, about 43% expect a job in the private sector to be no less secure. There are diverging opinions when it comes to stress, with slightly over half of respondents finding their job to be relatively stress-free and the rest reporting their job to be rather stressful. About 44% do not see their job as being less stressful than a job in the private sector. All respondents find their job to be interesting and all agree that their current job matches their education level and skills. One interviewee also points to the fact that in his field, international law, work for the government is almost the only option and one that offers much more professional challenge than a private legal practice would. Most respondents also find their work duties as important, allowing them to make decisions and take responsibility. The majority of respondents have no opinion when asked whether a job in the private sector would be more interesting and calling for greater responsibility.

When it comes to professional and career development and promotion, most respondents find their job to be offering good opportunities for professional development and acquisition of new skills, and about 63% find their job to be offering good opportunities for promotion. At the same time, half of the respondents view their current job as giving them a better chance for professional development than a job in the private sector, and only 38% find it as being more promising when it comes to promotion than a job in the private sector.

Overall, respondents find their work environment to be friendly, with a pleasant and safe physical environment. They report having a good relationship with their colleagues who value them and treat them with respect. Most find their immediate boss to be skilled and competent, and all agree that their boss is a nice person. "What drew me to the civil service is the people I met," recalls one interviewee, "In my department people are very nice, very competent, intelligent and reasonable." Most respondents also feel they are valued and respected by the management and over 87% find their official evaluation to be fair. Respondents overwhelming agree that they are given clear instructions and criteria for fulfilling their duties and that there are adequate feedback channels. There is also an overwhelming approval of the work-life balance, as well as agreement that the current job allows for a better work-life balance than a job in the private sector.

"Security vs. insecurity" is how one respondent compared the job for the government to work in the private sector. Security also ranks as the number two factor in attracting people to the civil service (Fig. 4). Several respondents state that a government job is more interesting than one in the private sector and, in fact, the number one factor pointed out in terms of attractiveness of the civil service is the essence of the job. Work with the EU and international institutions on EU directives, international standards and preparation of acts is quoted as the most interesting aspect of the job. In that regard, the EU accession process has played a big role in rendering the civil service more attractive. Several interviewees report that this was the most exciting time in their career as they had the ability to learn best practices from their European counterparts and at the same time actively participate in the transposition of EU law and the establishment of new structures. It further gave them a sense of European identity that rendered their job also more prestigious. "I could be working for a better salary in a bank," says one interviewee, "but that would be neither an interesting nor a prestigious job."

While no respondent discusses service to society in comparing jobs in the public and private sector, there is a unanimous agreement among respondents that they are contributing to society and almost unanimous agreement that they are contributing to the development of the country. Contribution to society is also ranked the third most important factor in making the civil service more attractive. As one interviewee recounts, "During the pre-accession period we often had to work afterhours without receiving extra pay. And indeed the only reason I was doing that was for the country." Thus, just as predicted by PSM theory, contribution to society proves to be an important factor in motivating civil servants.

A better work-life balance and more free time are also quoted as one of the key differences between jobs in the public and the private sector. At the same time, professional and career development, as well as the level of stress seem to vary with the specific position and there are diverging and contradicting opinions in that regard. Low pay is identified as the main problem with a government job, even if effort is no less than it would be in the private sector. Hence, it is not surprising that pay, promotion opportunities and stress level are ranked last in assessing the attractiveness of the civil service (Fig. 6).

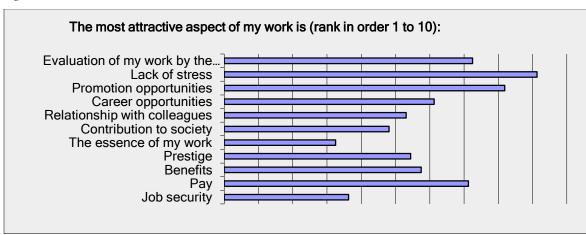


Fig. 6. Factors of attractiveness

The results from this survey are not much different than results reported in 2005. Ilieva et al. similarly report the essence of the job and job security to be the top motivating factors, while pay (being low and unfair) being the least motivating factor. The results from the two studies significantly differ in terms of evaluation of management. While Ilieva et al. report this to be the least motivating factor next to pay, the current study finds most respondents to be satisfied with their evaluation. Such difference in results may be a function of reliability, my study being a low-n, but it may also be reflective or recent changes to evaluation procedures. The 2005 study similarly reports contribution to society to be a significant factor, but ranking lower than in the present study. Comparison of the two studies indicates that recent reform efforts have not resulted in changes in the motivation of civil servants. Thus, either the steps taken were in the wrong direction or civil service motivation has not been a priority.

5. Conclusions

This study has confirmed results of previous studies on civil service motivation in Bulgaria, pointing to the fact that either efforts to improve motivation have not produced expected results or that developing motivation strategies has

not been a priority. The study has also found that altruistic factors, namely contribution to society, are more important than financial rewards, thus confirming the public service motivation theory. This is a first step on my part at examining this issue that I plan to continue with a refined and large-*n* survey. The East European context offers a particularly interesting area for research in that regard as intervening factors such as economies in transition, EU accession and post-accession compliance with European norms and standards, and currently reforming civil service systems may be found to influence civil service motivation, thus calling for strategies different than the once in Western democracies.

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