

# The Choice-Architecture behind Policy Designs

## From Policy Design to Policy Practice in the European Integration Context

**Edited by:**  
Michiel S. de Vries  
Juraj Nemec  
Veronica Junjan



**NISPAcee**

THE NETWORK OF INSTITUTES AND  
SCHOOLS OF PUBLIC ADMINISTRATION  
IN CENTRAL AND EASTERN EUROPE



Co-funded by the  
Erasmus+ Programme  
of the European Union



# The Choice-Architecture behind Policy Designs

From Policy Design to Policy Practice  
in the European Integration Context

## Edited by:

Michiel S. de Vries

Radboud University Nijmegen,  
The Netherlands

Juraj Nemeč

Masaryk University Brno, Czech Republic

Veronica Junjan

University of Twente, The Netherlands

Bratislava: NISPAcee, 2020

Copyright © 2020 by NISPAcee

The Network of Institutes and Schools of Public Administration in Central and Eastern Europe

## **The Choice-Architecture behind Policy Designs**

### **From Policy Design to Policy Practice in the European Integration Context**

#### **Main Editors:**

Michiel S. de Vries, Radboud University Nijmegen, The Netherlands

Juraj Nemec, Masaryk University Brno, Czech Republic

Veronica Junjan, University of Twente, The Netherlands

#### **Editors of Chapter 1. and Chapter 2.:**

Michiel S. de Vries, Radboud University Nijmegen, The Netherlands

Juraj Nemec, Masaryk University Brno, Czech Republic

Veronica Junjan, University of Twente, The Netherlands

#### **Editors of Chapter 3.:**

Juraj Nemec, Masaryk University Brno, Czech Republic

Martin Klus, National Council of the Slovak Republic, Slovak Republic and The University of Trnava, Slovak Republic

#### **Editors of Chapter 4.:**

Lesya Ilchenko-Syuyva, National University of “Kyiv-Mohyla Academy”, Ukraine

Jaroslav Dvorak, Klaipeda University, Lithuania

Mihaela Victorita Carausan, National University of Political Studies and Public Administration, Romania

**Language Editor:** Jane Finlay

**Managing Editor:** Elena Žáková, NISPAcee, Slovak Republic

#### **Published by NISPAcee Press**

Polianky 5

841 01 Bratislava 42

Slovak Republic

IČO 31 752 926

e-mail: [nispa@nispa.org](mailto:nispa@nispa.org)

<http://www.nispa.org>

Printed in Slovakia

#### **ISBN 978-80-99939-01-2**

The book contains selected revised papers from the 27th NISPAcee Annual Conference “From Policy Design to Policy Practice”, May 24-26, 2019, Prague, Czech Republic organized in co-operation with Charles University, Prague and Masaryk University, Brno, Czech Republic, co-funded by the Erasmus+ Programme of the European Union under the Jean Monnet Action – Jean Monnet Project No. 599737-EPP-1-2018-1-SK-EPPJMO-PROJECT “PRACTIC - From Policy Design to Policy Practice in the European Integration Context”.

This publication was published with the support of the Erasmus+ Programme of the European Union under the Jean Monnet Action – Jean Monnet Project No. 599737-EPP-1-2018-1-SK-EPPJMO-PROJECT “PRACTIC - From Policy Design to Policy Practice in the European Integration Context”.

# Table of Contents

## 1. Introduction

The Choice-Architecture behind Policy Designs:

An Introduction to this Volume

*Michiel S. de Vries, Juraj Nemec, Veronica Junjan* ..... 11

Policy Design: Just a Fad or a Fundamental Concept? (Or How to Deal  
with Policy Design in Interesting Times)

*Veronica Junjan*..... 21

## 2. Empirical Research Papers on Policy Design and Policy Practice

*Editors: Michiel S. de Vries, Juraj Nemec, Veronica Junjan* ..... 33

Policy Design and its Relevance for Practice in Public Administration

*B. Guy Peters* ..... 35

Redesigning Policy Cycles and their Design

*Geert Bouckaert* ..... 45

Public Policy in Troubled Waters

*Martin Potůček* ..... 51

The Rule of Law in CEE Public Administration through the Content

Analysis of Selected Articles

*Polonca Kovač* ..... 57

## 3. Case Studies

*Editors: Juraj Nemec, Martin Klus* ..... 79

A Framework for Political Leadership to Build Sustainable Public  
Institutions: Addressing Wicked Problems

*Richard F. Callahan* ..... 81

Co-creation and Co-production on the Local Level: The Case Study of  
the “Citizens’ Initiatives” Service in the City of Ljubljana

*Mitja Dečman* ..... 95

Performance Appraisal of Civil Servants – as Introduced by the New  
Law of Civil Service in the Georgian Public Sector

*Nino Dolidze* ..... 107

Increasing Democratic Legitimacy of Elections and Referendums in  
Slovakia

*Martin Klus, Juraj Nemec*..... 117

E-government and Digitalisation of Core Administrative Services for Citizens in Selected CEE Countries <i>David Špaček, Mihály Csótó, Nicolae Urs</i> .....	127
--	-----

#### 4. Policy papers

<i>Editors: Lesya Ilchenko-Syuyva, Jaroslav Dvorak, Mihaela Victorita Carausan</i> .....	147
--	-----

##### 4.1. Use of Evidence in Public Policy Design and Implementation

Increasing Reliance on Wood Energy? A Case Study on Policy-Practice Interface in Selected European Countries <i>Francesca Ferranti, Vasja Leban</i> .....	149
--	-----

Re-thinking the Importance of Equity Principles in Carbon Emissions Policy for the Future: A Policy Driven Empirical Narration for India vs. European Union <i>Sovik Mukherjee</i> .....	161
---	-----

The Development of Foreign Language Professional Competencies of Public Administration Students <i>Guliya K. Nurlybaeva</i> .....	179
--	-----

Building a Cybersecurity Ecosystem in a Hungarian City – The Potential for Innovative Growth <i>Judit Szakos, Tamas Szadeczky</i> .....	195
--	-----

Towards More Evidence-Based Policy Making in Montenegro in the Context of the Advanced Stage of EU Accession Negotiations <i>Almedina Vukić</i> .....	209
--	-----

##### 4.2. Citizens' Participation

Civil Participation by Means of Participatory Budgeting: Checking of Possibilities for Decentralised Cooperation in Belarus <i>Yuri Krivorotko</i> .....	225
---	-----

Networked Individualism: A New Narrative for Citizens' Participation in the Decision-Making Process in Latvia <i>Lilita Seimuskane, Eduards Lielpeters</i> .....	239
---	-----

##### 4.3. Reforms and Change

Changes in the Organisational-Legal Form of Hospitals <i>Olga Angelovská</i> .....	259
---	-----

Open Information, Contract Management, Transparency and Ethical Standards: In Local Government Units Contracting Out for Case Management Service Delivery <i>Esien Eddy Bruno</i> .....	267
Improving Public Services in the Post-Soviet Settings: The Potential for Optimisation of Public Services in Kazakhstan <i>Bakhytzhon Kurmanov</i> .....	283
Potential for Improvements in the Reporting and Financing of Museums in the Czech Republic <i>Milan Jan Půček</i> .....	299
The Reform of Territorial Public Administration in Hungary <i>Edit Soós</i> .....	315



# 1. Introduction



## The Choice-Architecture behind Policy Designs: An Introduction to this Volume

*Michiel S. de Vries<sup>1</sup>, Juraj Nemec<sup>2</sup>, Veronica Junjan<sup>3</sup>*

This volume is the result of the NISPAcee project PRACTIC, aimed at the sharing and dissemination of knowledge and experience among policy makers and other practitioners on behalf of their utilisation in evidence-based public policy making. The book includes (with the exception of this introduction) the framework chapter, introducing the topic of policy design, four empirical research papers, five case studies and twelve policy papers dealing with different aspects of policy design and policy practice.

As NISPAcee's base is in Central and Eastern Europe, the subsequent chapters especially address the evidence following on from policy processes found in countries belonging to these regions. It is important to make this observation, because the context in which policies-design takes place is deemed to be crucial and the CEE context is rather different from the context in OECD countries. The importance of this context is not always acknowledged by scholars writing on policy design.

Nearly all major scholars theorising about public policies perceive them as choices regarding means and ends to solve societal problems. The logical consequence thereof is to see the design as contingent on the nature of the problem at hand. Simple, straightforward problems are in need of a policy design that is different from the one needed for complex and especially wicked problems. This also applies to problems surrounded by much uncertainty vis-à-vis problems on which much knowledge is available. An overview of such theories on policy designs from a scholarly perspective is provided in the framework chapter 1.1 by Veronica Junjan. The chapter addresses the development in scholarly literature from the 1950s onwards in which the enduring search was for the optimal policy design given the characteristics of the problem at hand.

---

1 Department of Public Administration, Radboud University Nijmegen, The Netherlands, and Department of Public Administration, Kaunas Technological University, Lithuania, and Department of Public Administration and Management, University of the Free State, South Africa.

2 Faculty of Economics and Administration, Masaryk University Brno, Czech Republic.

3 University of Twente, The Netherlands.

This chapter is followed by chapter 2.1 written by B. Guy Peters, emphasising that ‘The assumption of a good deal of design is that one size fits all, and that an effective design in one context equals an effective design in another context. A more realistic conception of design will include the political, economic and social context explicitly in the policy design. In addition, the design must consider adaptation over time as those elements of context continue to change and to require continuing change within the policy.

This continues to be seen in recent literature. Since the famous book by Pawson and Tilley (1997), we witness a call for evidence-based policy promoting policy designs based on scholarly knowledge and empirical references of what works. Already in 2002, Sanderson acknowledged that this idea is based on three assumptions. The first is that policy makers could arrive at more effective and efficient policies by making more use of the available scholarly knowledge. The second assumption is that scholars are able to produce knowledge about the effectiveness of public policies. The third assumption is that policy makers are able to use such knowledge in designing their policies (Sanderson, 2002).

The basic idea behind evidence-based policies is that policy making is similar to providing medicine and that public policies should undergo the same rigorous testing, preferably through experiments with randomised controlled trials before application. Public policymaking should depart from a thorough diagnosis of the problem; transform it from being ambiguous, complex and uncertain into an issue that is solvable. Subsequently, it should search systematically for the best evidence available to remedy the problem (cf. La Caze, 2006; La Caze, 2008; de Vries & Sobis, 2015).

In this regard, scholars promote the use of outcomes of sociological and psychological research as needed evidence (Thaler et al, 2008). Scholars call for the advanced analysis of large, flexible and reliable statistical data (Palangkaraya et al, 2012). They call for commissioned research, including monitoring and evaluation studies through which policy makers actively seek and receive advice from scholars and research institutes in order to increase the effectiveness of new policies. Last but not least, there is a call to disseminate best practices. Those policies which have proved themselves to work somewhere might also be expected to be effective and efficient in solving the problem a policy maker elsewhere is facing.

Basic to the approach of evidence-based policymaking is the sole attention for the strength of the relation between the policy-design and the policy-problem at hand; the crucial question being whether the policy, i.e. the implementation of the policy instruments to achieve specified goals, does significantly change the existing situation in a preferred situation. Within the perspective of evidence-based policymaking, policy makers could do a much better job if only they would incorporate existing knowledge about the effectiveness of policies in general in their own endeavours to solve the societal problems they face.

This is especially seen in the new kid on the block in policymaking called nudging. It is a specific type of evidence-based policy design, having become popular since Richard Thaler received the Nobel Prize in 2017. Nudges are interventions that steer people in particular directions but that also allow them to go their own way (cf. Abdulkadirov, 2016; Alemanno & Sibony, 2015; Pawson, 2001; Pawson & Tilley, 1997). In nudging people, one alters the context in which people make their choices in the hope that they will become more inclined to opt for desired alternatives. When a tax office sends a letter to taxpayers to tell them that already 80 % of people have filled in their tax-forms, they nudge people to follow this ‘widely adopted’ and desired behaviour. When one rearranges goods in a shop it nudges people to buy or not buy certain goods. As Thaler and Sunstein (2008, 6) argue, a nudge is “any aspect of the choice-architecture that alters people’s behaviour in a predictable way without forbidding any options or significantly changing their economic incentives.”

Taking the contextual features of an individual choice into consideration, the question is whether one could alter that context i.e. choice-architecture in such a way that people become inclined to make more optimal choices and show the desired behaviour. According to adherents of this approach “Governments should take seriously the idea of choice-architecture and seek to structure their policies in ways that nudge people towards better choices (in the government’s best judgement, at any rate)” (Low, 2011, 29). Such nudging is based on four assumptions (Rizzo, 2016, 38):

1. There is a set of general normative criteria for “rational” or welfare-increasing behaviour, with respect to both judgment and preferences.
2. Real-world behaviour significantly departs from these criteria.
3. Policy makers have the ability to craft policies that move people towards more welfare-enhancing behaviour.
4. Policies can be carried out without unacceptably high costs in both welfare and freedom.

Despite the fact that such an approach is very appealing, all the above seems perfectly rational, and in itself one would applaud any attempt to make public policies more evidence-based, the criticism on the assumptions of evidence-based policymaking principle is huge. It is increasingly seen in literature that scholars conclude that it is an (almost) impossible endeavour. The reasons have become abundant. For instance, policy makers most often do not have the time to wait for the evidence. Jasanoff (2007) pointed out that uncertainty, ignorance and indeterminacy will always be present, implying that humble policies are the only ones that could fulfil the requirements from an evidence-based perspective. The research method most highly valued in science – the experimental method – is ranked lowest by the users thereof, i.e. the policy makers, because of its low usability (Vedung, 2010).

As to the use of large statistical databases, Palangkaraya et al (2012, 12) conclude that “there are many areas where analysis based on aggregate data is simply inadequate. Especially when the objective of a policy evaluation is to know the differential policy effects on the very unit targeted by the policy”. Palangkaraya et al also argue that there may be “significant aggregation biases if there is significant heterogeneity in the responses” (p. 13), that different data may yield different estimates of the same policy even under a social experiment setting (ibid) and that “sample size limitations and, more importantly, limitations in terms of details at the unit of observations imposed by privacy concerns make it very difficult to construct the counterfactuals” (ibid).

As to copying best practices, many scholars have suggested that the concept of best practices is relative. Best practices depend on context and moment. This makes it rather difficult to find best practices, let alone transfer them to other situations. In spite of good intentions, a best practice often becomes a rather awkward standard that inhibits improvements (cf. de Vries, 2010; Löffler, 1999). Universalists are wrong to assume that managerial practices are culturally neutral and thus applicable to different contexts. Löffler (1999) argued that one has to consider change-triggering stimuli, structural specifics and implementation barriers before transferring best practices.

The preliminary observation is that one needs to unravel the choice-architecture of policy makers regarding their inclination to proceed in one way or another in their policy design. That architecture consists of the context in which policy design takes place, the specificities of the situation in which the problem manifests itself, as well as the characteristics of the problem in need of a solution.

As to the context, one must establish, first of all, whether the national political regime a policy maker is facing reflects the standards of a full democracy in which all the elements of good governance are established, or is rather an autocratic presidential system, a military regime, or a religious state, or some combination thereof. This has severe implications for the preferred way of providing collective goods (de Vries, 2016).

In chapter 2.3, Martin Potůček points to the importance of these factors in recommending scholars to “[B]ecome more reflective of the conditions of democratic society that make public policy schools possible now and in future, and therefore focus not only on the realisation of given political objectives but on their formation as well” And in chapter 3.4, Martin Klus and Juraj Nemec find for Slovakia that although “there is a general consensus that with increasing participation in elections and referendums, the level of democratic legitimacy also increases, theoretical concepts, but also practical approaches towards this phenomenon deviate across the political systems of different nations.”

Second, one has to consider the intergovernmental relations in a country. These determine – at least partly – whether policy makers at the local level have

the autonomy, authority and responsibility to develop policies in a certain policy area. As David Špaček, Mihály Csóto and Nicolae Urs argue in chapter 3.5, the way e-governance is realised also in policy designs, depends on ‘the development of e-government and its enablers (e.g. IDs), the national approach to e-government policy, the level and the readiness of legislation for digitisation, and whether service delivery is organised in a centralised, decentralised or mixed way’ This is related to legal, financial, and political arrangements, through which local policy makers are enabled or limited to even make choices to deviate from existing standards and/or to search for and propose novel solutions based on evidence.

Third, the organisational structure in which a policy design is to be made is at least co-determinative for the processes involved and the effectiveness and efficiency of the result. Whether a policy is designed in a bureaucratic organisation in which hierarchy, rule-following and procedures dominate, or a professional organisation enabling autonomous actions of knowledgeable and experienced policy makers and front-office officials, makes all the difference in a choice-architecture.

The next factor important for the choice-architecture surrounding policy designs refers to the organisational culture. Whether there is a high level of risk-avoidance, whether the culture of the organisation emphasises caring (feminine) or achieving (masculine), whether the long-term or short-term orientation dominates, whether individualism or collectivism is prevalent, and whether the power-distance is high or low, does make a huge difference for the choice in a policy design. In chapter 4.1.5, Almedina Vukić argues for Montenegro, that “effort must be put into building the evidence-based ‘culture’ of policy planning, defining result-oriented priorities and goals and ensuring full costing of strategic documents, as well as reporting on the financial costs of their implementation.”

Last but not least, the choice-architecture is co-determined by the perceptions, values and inclinations of the individual policy maker. This concerns his or her values and attitudes and whether it is, for instance, a true public service motivation or a more selfish attitude. In this regard, as Mitja Dečman argues in chapter 3.2, the design of innovative developments in co-creation and co-production at the local level depend on the perception of citizens as it sees citizens as partners in the development and use of public services, instead of seeing them as customers, deciding to use the service or not, and whether or not policy makers and politicians consider co-creation and co-production as a necessary condition for public innovation. Regarding values, Sovik Mukherjee argues in chapter 4.1.2 that “there is substantial evidence that individual perceptions of ‘what is fair’ are correlated with the economic costs and benefits implied by the respective equity criteria” and that such “differing perceptions are also apparent in the use of equity principles as arguments in bargaining processes”.

Next to the contextual characteristics influencing the choice-architecture is the policy design, i.e. the possibilities to opt for specific policy instruments to

achieve the policy goals are also furthered or restricted by the specifics of the situation at hand. This refers to local leadership, local stakeholders, the local culture, the local socio-economic structure, the local progress in human development, and local path-dependencies. In chapter 3.1, Richard Callahan concludes that political leadership can generate a model of administrative and policy change for building sustainable and just institutions. In addition, we have argued that exemplary political leadership can explicitly address wicked societal problems, with significant human impact’ and that ‘political leadership can successfully address wicked problems’. Similarly, in chapter 4.3.5 Edit Soos argues that leadership responsibility is essential.

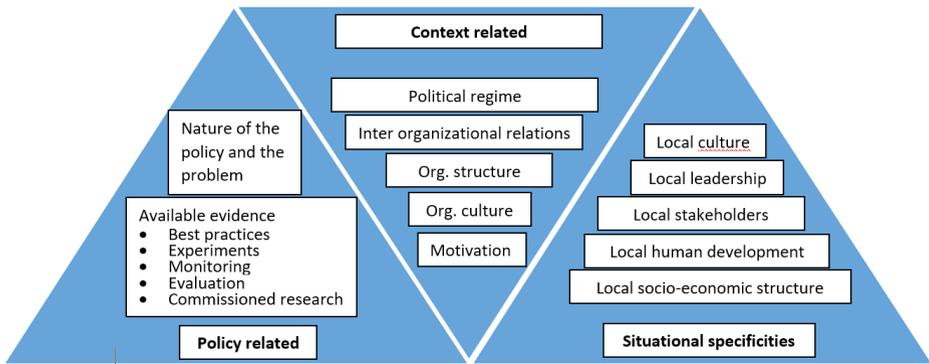
As to taking the local stakeholders along in a policy-design, Geert Bouckaert emphasises in chapter 2.2, that “The classical decision-making within a policy cycle is affected by the urgencies, turbulences, and citizen pressures. There are several elements that have affected and changed such decision-making. The need to be able to continue to deliver public services and to guarantee a continuity of presence in the public sphere in a context of reduced funding, has pushed the public sector to allow for participation through investments and co-production.” If a policy-design does not address the local circumstances or incorporates the local stakeholders, it is doomed to fail, no matter what the success of a best practice in a similar policy elsewhere, the policy’s inherent logic, or the positive evidence of its usefulness provided by scholarly research. The need to switch to participation and partnerships is similarly stressed by Lilita Seimuskane and Eduard Lielpeters (chapter 4.2.2) and Yuri Krivorotko (chapter 4.2.1).

On the other hand, incorporating major stakeholders may open up the policy design to become more ambitious, as Lesya Ilchenko, Jaroslav Dvorak, and Mihaela Carausan argue when introducing policy papers that involve businesses, universities, citizens and active state/local authority support, could accomplish what otherwise could not even be dreamed about. In a similar way, Francesca Ferranti argues in chapter 4.1.1 that “Consultation between representatives of different stakeholders and representatives of the economy and practitioner group (all from various levels) is highly recommended in order to discuss the various positions and arguments, to negotiate the most beneficial solutions and to prioritise it together with several policy objectives that affect the environment.”

The above results in a complex choice-architecture of a policy design as given in Figure 1. Effective and efficient, rational and legitimate policies do not only depend on the nature of the policy and the problem it addresses, but is embedded within a specific context and specificities of the local situation. Sometimes policies do seem optimal given the available knowledge, but simply are not feasible given the contextual features within which the policy has to be decided upon and implemented. Sometimes the local circumstances are so awkward that a best practice turns into a worst practice if applied in that locality.

Most important is that the figure suggests that in order to have more evidence-based policies and to ‘nudge’ policy makers towards such a type of policy-designs, one needs to be aware of the elements in the choice-architecture within which they have to operate in order to be able to change these parameters. The model tells us that this might not be easy, but is rather a complex process. However, the factors mentioned in the model are not always adversary to the emergence of evidence-based policies and an evidence-based policy design. Neither are all the factors of equal importance in all situations. That depends on the context, on the situation at hand and on the kind of policy and on the nature of the problem to be addressed.

**Figure 1**  
The elements in a choice-architecture of a policy design



Source: Authors

The predictable issue with this model is its complexity. However, not all elements need change in order to nudge policy-makers towards a desired policy-design. As Milan Jan Půček in chapter 4.3.4 states for museums in the Czech Republic “a seemingly minor problem may form an obstacle to a more comprehensive change”. The crucial question is where to alter the choice-architecture in order to accomplish a preferred policy design.

The remaining chapters in this volume present texts on actual policy designs and implementation issues emerging in Central and Eastern Europe and in Central Asia. These texts introduce different sub-elements of policy design and policy practice as follows – the improvement of social services and the modernisation of the organisational system of public administration (Bakhytzan Kurmanov in chapter 4.3.3); the rule of law (Polona Kovač in chapter 2.4); the management of human resources in public administration (Nino Dolidze in chapter 3.3); the transparency and ethics (Bruno E. Esien in chapter 4.3.2) the development of digital administra-

tion (Judit Szakos in chapter 4.1.4); the development of professional competences of students (Guliya K. Nurlybaeva in chapter 4.1.3); and the reorganisation of hospitals (Olga Angelovska in chapter 4.3.1).

The main recommendation from scholars from these countries is that the best way to alter the choice-architecture is to involve the main stakeholders. Incorporation of either internal or external stakeholders in the policy design seems to be the crucial element. In Central Asian countries such as Kazakhstan, this refers especially to the involvement of internal stakeholders, i.e. government agencies, while in Central Europe, scholars call for the inclusion of external stakeholders, i.e. societal groups, citizens, NGOs et cetera. In Central Europe, this could be accomplished through consultations and meetings and the creation of community-based organisations. In Central Asia, one seeks a solution by bringing different governmental agencies into the policy design.

What is most effective depends on the analysis of the choice-architecture and the detection of the major issues therein. The studies at the end of this volume all seem to point out that regarding Central and East Europe, the crucial problem is the dominance of the ‘top-down’ approach in policy making. According to the authors, this is still visible in the new EU-member states in Central Europe although opportunities do exist to alter this in those countries. In Central Asian countries, this top-down approach has never changed and has always been completely determinative for the policy design. Therefore, the intervention in the choice-architecture in Central vis-à-vis Eastern Europe needs to differ. In many central European countries, involving the people might do the trick, but in many central Asian countries, higher expectations exist regarding the creation of alliances among government agencies as they are seen as the main stakeholders.

Concluding, this introductory chapter put the policy design within a contextual and situational perspective. The proper kind of policy design does not only depend on the characteristics of the policy problem, but also on the specifics of the context and the situation at hand. To change such a policy design needs to take the whole picture into account, i.e. the choice-architecture the policy maker is facing. This introductory chapter does not suggest that all the elements therein are of equal importance. That varies as does everything in life. The model does imply that the effectiveness of an intervention is dependent on a proper analysis of the context and the situation at hand and the singling out of the most important issue. Only after such an analysis, might an intervention altering the nature of that issue be expected to become effective.

## References

---

Abdukadirov, S. (Ed.). (2016). *Nudge Theory in Action: behavioral design in policy and markets*. London: Palgrave Macmillan.

- Alemanno, A. & Sibony, A. L. (Eds.). (2015). *Nudge and the law: A European perspective*. London: Bloomsbury Publishing.
- De Vries, M. S. & Sobis, I. (2015). From Evidence-Based Policies to Evidence-Based Public Sector Reforms. In: R. Jucevicius, J. Bruneckiene & G-B von Carlsburg (eds) *International Practices of Smart Development*. Frankfurt am Main: Peter Lang, 223–240.
- De Vries, M. S. (2010). Performance measurement and the search for best practices. *International Review of Administrative Sciences*, 76(2), 313–330.
- De Vries, M. S. (2016). *Understanding public administration*. London: Palgrave Macmillan.
- Jasanoff, S. (2007). Technologies of humility. *Nature*, 450(33), 1–2.
- La Caze, A. (2006) *Evidence-Based Policy: Promises and Challenges*. Available at <http://www.colyvan.com/papers/ebp.pdf> Last accessed 12 December 2019.
- La Caze, A. (2008). Evidence-based medicine can't be... *Social Epistemology* 22(4), 353–370.
- Löffler, E. (1999). *The Value of Public Management Evaluations from an International Perspective*. Paper presented at the International Public Management Network workshop, Siena.
- Low, D. (2011). *Behavioural economics and policy design: Examples from Singapore*. Singapore: World Scientific.
- Palangkaraya, A., Webster, E. & Cherastidtham, I. (2012). *Evidence-based policy: Data needed for robust evaluation of industry policies*. Report for the Australian Department of Industry, Innovation, Science, Research and Tertiary Education.
- Pawson, R. (2001). *Evidence and policy and naming and shaming*. ESRC UK Centre for Evidence Based Policy and Practice Working Paper 5.
- Pawson, R. & Tilley, N. (1997). *Realistic Evaluation*. London: Sage.
- Rizzo, M. J. (2016). The Four Pillars of Behavioral Paternalism. In: Abdulkadirov, S. (Ed). *Nudge Theory in Action: behavioral design in policy and markets*. London: Palgrave Macmillan, 37-63.
- Thaler, R. & Sunstein, C. (2008). *Nudge: Improving Decisions About Health, Wealth, and Happiness*. New Haven, Yale University Press.
- Sanderson, I. (2002). Evaluation, policy learning and evidence-based policy making. *Public administration*, 80(1), 1-22.
- Vedung, E. O. (2010). Four Waves of Evaluation Diffusion. *Evaluation*, 16(3), 263-277.



# Policy Design: Just a Fad or a Fundamental Concept? (Or How to Deal with Policy Design in Interesting Times)

---

Veronica Junjan<sup>1</sup>

A simple search on Web of Science (WoS) as of November 2019 on the search terms “policy” and “design” provides more than 100,000 records, distributed around 80,000 articles, almost 20,000 proceedings papers, 5,000 reviews, and subsequently decreasing numbers of editorial materials, book reviews, early access articles, book reviews and book chapters, etc. One can safely say that there is interest, both in policy as well as in design, and certainly in the combination of the two concepts in order to develop solutions for societal problems. In terms of the fields of publications as defined by Web of Science, the five most popular fields vary between economics (9.505); public environmental occupational health (8.656); engineering, electrical, electronic (7,433); environmental sciences (7.133), and environmental studies (6.385). Public administration comes in at number 23 with 2.146 hits, arguably with a much lower number of journals included in the WoS monitoring in comparison to other academic fields. Next to articles, similar searches conducted in other databases also indicate an increasing number of books dedicated to policy design.

The concept of design has been present in the field of public administration for a long time. Usually, it is considered as an approach directed towards developing solutions to societal problems. Peters (2018:1) defines it as a “concept that is used increasingly to describe the process of creating a policy response to a policy problem”. Further, Peters (2018) outlines the evolution of the concept of design in public administration thinking, beginning from early work in the 1950s in political science from Lasswell (1951) work on public policy cycle, to Dahl and Lindblom’s (1953) development on the concepts of formulation and planning, to Bauer and Gergen’s (1968) work on planning. Herbert Simon stated in his seminal work *Sciences of the Artificial* (1996:111) that “everyone who designs, devises courses of action aimed at changing existing situations into preferred ones”, and proposed the concept of design further as “Design, so construed, is the core of all professional

---

<sup>1</sup> University of Twente, The Netherlands.

training; it is the principal mark that distinguishes the professions from the sciences” (Simon, 1996:111). Through this articulation of the design and placement of design in relationship sciences in general, policy design responds to the dual nature of public administration as a discipline with both an academic and an applied dimension which are inextricably linked to each other.

Policy design is usually applied with the underlying expectation that a solution (organisational or behavioral) is developed towards achieving a desired goal (Bobrow, 2006). Policy making is a combination between insights derived from scientific knowledge, policy makers’ intuition and experience (tacit knowledge), and normative standards (Bobrow, 2006). Howlett et al. (2015:292) define policy design as a “deliberate and conscious attempt to define policy goals and to connect them to instruments or tools expected to realise those objectives”. Peters (2018) underlines the element of consciousness in this definition through pointing out that the term “deliberate” emphasises the purposefulness in the analysis and the choice processes and a conscious effort to achieve a specifically defined goal and to limit the influence of haphazard and unpredictable factors. Whereas the (academic) desire towards rational approach supports the purposefulness of the policy design, practice shows that the (rational part of the) process is influenced by various other factors. These factors include perceptions of feasibility, specific interests of the actors involved, unpredictable interaction processes amongst actors (societal stakeholders and decision-makers), very different incentives for the actors involved to cooperate (or not), power and resource disparities amongst the actors involved in the process, different time dimensions relevant for the same actors, different institutional constraints which influence the decision space for the actors, as well as policy or organisational history (Howlett & Rayner, 2013; Howlett & Mukherjee, 2018; Hoppe, 2010; Hoppe, 2018). The choice of a policy paradigm – e.g. rational choice or interpretative approach – and awareness of the consequences of the chosen policy paradigm for the analysis is important for the application of the design approach in policy.

The relationship between rationality and complexity in policy design has been outlined from the top-down approach of the beginnings, to the more nuanced attention towards drawing attention to the interaction effects which make the understanding of the mechanism behind policy design difficult. Ackoff (1974:21) in Peters (2018:37) defines the interconnected (system of) policy problems, as a (policy problem) *mess*. Attempts to solve complex societal problems, following a simple serial approach, leads (unfortunately often) to policy failure in the short-term and sometimes to the worsening of the very problems that needed to be addressed long-term. The attempts to apply design (following the engineering approach) in public administration (which follows a social science empirical study approach) can be particularly frustrating. Attempts to combine the two approaches without understanding their basic assumptions arguably lead to failure to achieve the desired goal – the improvement of the current situation – if the (policy) designer deliberately ignores (or is unaware of) the environment characteristics specific to working with

and for the public sphere. Herbert Simon underlines the need to understand the environment where the problem is being identified by pointing out that “The apparent complexity of our behaviour over time is largely a reflection of the complexity of the environment in which we find ourselves” (Simon, 1996:80). This statement underlines the importance of using the *interaction* mechanisms between the individual behaviour and environment in order to design solutions to the societal problems instead of looking at the two separately. Understanding the interaction mechanisms between the individual and organisational behaviour within the public sector environment is crucial for developing a sustainable way of designing and implementing policy oriented towards solving societal problems. More recently, Capano et al. (eds) (2019) revive the interest in understanding the mechanistic chain in order to improve policy design.

When transitioning from an engineering approach to design towards reflecting on how to apply design in public administration, one needs to remember to take the human factor into account in all stages of the design process and consider carefully the instruments needed to incentivise the compliance of the human factor to the proposed policy. The human-centred design approach has already made steps towards systematic inclusion of users in product and service design (Cooley, 1989; Giacomini, 2014). For public administration, the very strong increase in the recent research regarding co-production and co-creation (Verschuere, Brandsen and Pestoff, 2012; Brandsen and Honingh, 2016, together with many other researchers) and reflection on the opportunities offered by technology in the co-creation processes (Lember, Brandsen, and Tönurist, 2019) provides the theoretical steps to work further on systematising citizens’ input in policy design.

Peters (2018: 6) explicitly points out that policy design is inherently political because it is ultimately an exercise oriented towards developing a solution for a societal (thus collective) problem, thus involving multiple actors. An excessive focus on technocratic solutions (even when they are technically elegant), without attention to the human factor, will impede upon the feasibility of their implementation. Policy designers also need to consider the political consequences, not only the economic ones (Peters, 2018:7) during the design process, as that would support the credibility of the developed solution. This involves explicitly acknowledging that policy design is (also) a political exercise where humans are the objects of the designed policy and therefore is based on (public) values, derived from the legitimacy of the collective choice: fairness, autonomy, democracy, to name but a few. Acknowledging the base of public value also implies that the designer is aware that making design choices has consequences for the broader societal context, such as increasing (or decreasing) inequality.

Dealing with humans (both as objects of policy and as decision-makers) and acknowledging the importance of public values in a collective choice process also implies that the design process involves conflict. This conflict can materialise at

different stages in the policy design. Such points can refer to decisions regarding the values to be pursued (and the trade-offs between the values), problem framing (which depends on the actors involved), which evidence to be used (and the weighing of the different types of evidence available), or in the choice of the policy instrument. Moreover, the designer has to deal with the already existing policies: given the complexity of current institutional arrangements, there are very few situations where the policy designer works with a blank slate (Peters, 2018). On the one hand, previous policy can be of help when identifying instruments and approaches that work (or not), helping the designer (hopefully) avoid past mistakes. On the other hand, the policy designer has to account for the already existing policies in order to deal with path dependencies and (again, hopefully) prevent (or at least limit) unwanted consequences of the proposed policy. Research on policy implementation shows that ignoring the already existing institutional and policy arrangements does contribute to policy failure (McConnell, 2010). Ideally, the policy design is targeted to a specific group, but, when dealing with increasingly complex problems, it is often difficult to pinpoint the intervention in such a way that no collateral effects take place. Even more important, in a democratic setting, successful implementation depends on citizen willingness to comply and on citizen’s understanding of the idea of public interest, thus limiting the range of coercive instruments. The increased questioning of traditional sources of authority amplified by technological instruments at different levels of the polity also impacts upon the political decision-making, by ignoring the time required before a certain policy has palpable effects, leading, at times, to hastened reactions and over-reactions by the policy makers. These developments also need to be taken into account when considering the adaptability of the proposed design to the future.

Peters (2018: 13–20) proposes a classification for the types of design processes: a) policy and programme design, where the latter is considered to be a more restrained form of the former; b) ideological designs based on beliefs grounded in a particular set of values (which, for instance, can be political or associated with a certain profession), designs which are usually contrasted with rational design processes (based on scientific evidence); c) political designs, which combine sets of values of ideological designs in order to increase the political feasibility of the solution (arguably a variant of the ideological design); d) design by transfer, derived from policy diffusion where the importance of the context of the problem for which the design has been developed becomes even more visible; e) by innovation, which involves collaborative approaches and aims to improve delivery (even though design goes arguably on content and further than implementation), and f) accidental and experimental designs, which take place in crisis situations or simply through serendipity. The classification provides a useful starting point in understanding the diversity of aspects concerning policy design. However, the relationship between the criteria built into the classification discussed above, such as a differentiation

between macro-and meso institutional level, or a functionalist versus structuralist approach can be further discussed.

The above discussion raises the question on design components or rather, “what are the requirements to construct a policy design?” Hoppe (2018) proposes to focus first on the problem to be solved, also known as the problem-structuring approach. This approach has different stages aimed to help identify what the problem is, identify the path that makes a situation problematic, and structure the thoughts regarding developing a solution. The four stages proposed are problem sensing, problem categorisation, problem choice, and problem decomposition. In problem sensing, the core task is to make sure that the designer understands what the problem is and she/he is aware of the different shapes, positions and channels where societal discussions regarding the situation take place. Hoppe (2018) considers problem categorisation as identifying the gap between the current situation (perceived as problematic), and the desired stage. In the problem choice stage, the different facets of the action to be taken to reduce the problematic situation are summarised. Finally, in the stage of problem decomposition, Hoppe (2018) suggests investigating what the gaps are and how they can be addressed. One can therefore say that the components of a design presume understanding on several levels: understanding of the causal relationship within the problem components; understanding of the instruments available; understanding of the values by which the outcomes should be evaluated and a plan for intervention (Peters, 2018:21) In the process of integrating scientific results in the policy process, Wellstead et al. (2018) add additional arguments to support the idea of explicitly specifying the causal mechanism as a tool in strengthening the credibility of the scientific contribution to the process.

Bobrow (2006) and Howlett & Mukherjee (2018) discuss policy packaging as an alternative method of policy design. Policy packaging refers to the coordinated collective use of multiple policy instruments which are implemented together. Policy packages aim to replace other policy measures that were in place at the time of the new policy proposal (Howlett & Mukherjee, 2018). Patching refers to making additions or alterations to existing policies to adapt them to new situations or insights (Howlett & Mukherjee, 2018). To what extent one is preferable to the other is another issue. Some studies support the idea of a comprehensive coordination of packaging in order to achieve the desired goals (Hoppe, 2010; Howlett & Mukherjee, 2018). Other studies stress the practical aspects of patching (Howlett & Rayner, 2013). The policy packaging approach acknowledges explicitly that in order to achieve the desired goals, the policy instruments should be consistent, coherent, and congruent (Howlett & Rayner, 2013). Consistency is defined as goals, measures, and assessments kept constant over multiple policy measures. Coherence is defined as the different measures and policies being able to function together towards achieving the same goal. Finally, congruence means harmony existing between multiple goals, measures, actions and assessments. Arguably, they represent a way of addressing the existing institutional arrangements and path dependencies

existent in the current policies (or the lack of a blank slate) on which policy designers need to work. Albeit the need for another set of concepts supporting the need to coordinate and increase policy coherence can be further debated, it does not take away the fact that the policy packaging and policy patching approach acknowledges further the complexity of the existent policy arrangements and pleads for increased coordination and coherence in policy.

The discussion on the value of design approach for Public Administration (PA) has taken new forms recently. Following Shangraw and Crow (1998), public administration as a science studies both the internal environment of the public sector and the complex external environment in which public sector organisations function to provide services to citizens. The internal environment deals with the substance of public sector organisations such as structure, function and capacity, whereas the external environment deals with the relationship between the organisation and its institutional environment (Shangraw & Crow, 1998). When designing a tool or system, it is vital to acquire certainty regarding the goal of the intervention, the setting and level for which it shall be designed and what kind of insights or knowledge requirements the design of the intervention demands (Shangraw & Crow, 1998). A good design is one that meets the public demand for policy output in an effective and efficient manner (Shangraw & Crow, 1998).

Knowledge of both the internal and external environment is therefore necessary in order to develop a functional policy design. Meijer (2018) proposes that design-oriented public administration research (DOPAR) draws upon four different types of knowledge, namely: a) knowledge as a base of theories and models in public administration knowledge as a base of methods; b) instruments and operationalization from design science); c) insights, examples and design examples from other contexts, and d) specific knowledge about the context and user needs from the environment in which the design intervention is to take place.

The human/user centred approach developed in design sciences is analysed as a complementary approach for the classic problem-centred approach. Van Buuren et al. (2019:3) plead for a “better understanding of the different applications of design in the fields of public policy and public administration and their implications, in order to say something substantiated about the potential contribution of the present-day design orientation to public administration”. They conduct an extended analysis of the PA literature and propose three approaches for design in PA: design as optimisation, design as exploration and design as co-creation. The proposal entails the specification of the purpose of using the design approach, as complementary to the classic social science approach in PA.

**Table 1**  
Three design approaches in public administration

	<b>Design as (bounded) optimisation</b>	<b>Design as exploration</b>	<b>Design as co-creation</b>
Logic	Design as translating knowledge into the best possible solution	Design as creative art: finding novel solutions to problems	Design as participatory endeavour: all affected actors engage in defining problems and solutions
Methods used	Tools to translate formal knowledge into artefacts	Tools that foster out-of-the-box thinking and innovation	Tools for dialogue and interaction
Motive	Putting the best available knowledge into a solutions helps practice to solve its problems	Design thinking can enlarge the solution space, foster creativity and enhance imaginative power	Design processes can bring actors together, foster learning and build consensus
Related concepts	Evidence-based design, scientific design, knowledge-based design, design as problem-solving	Design-thinking, open innovation, design as imagination	Co-design, collaborative design, participatory design

Source: Van Buuren et al. (2019:9)

Hermus et al. (2019: 13) conducted an extended literature review on the way design in PA has evolved since the article of Shangraw and Crow(1989) and distil subsequently six design approaches present in academic literature in public administration. The link they identify between design approach and targeted level of government is strong: inspirational approaches are used extensively at lower levels of government. The purpose of design is also important in their results. Hermus et al. (2019:15) also indicate “Design is more often seen as a way of ‘translating’ knowledge than as a way of ‘producing’ knowledge.” This suggests that the purpose of using the design approach remains important in PA studies, although sometimes the purpose stays implicit. Subsequently, they plead for a more in-depth analysis of the design types used in PA and an assessment of the conditions under which they function in practice.

**Table 2**  
Different approaches to design in public administration

	<b>Informational approach</b>	<b>Inspirational approach</b>
Knowledge-focused	Theory-driven design	Synthesis-oriented design
Situation-focused	Evidence-driven design	User-oriented design
Implementation-focused	Consensus-driven design	Change-oriented design

Source: Hermus et al. (2019:13)

## Conclusion

---

Knowledge-driven approaches remain popular in PA, suggesting that the community remains preoccupied by addressing the challenge on “how things ought to be” as put forward by Herbert Simon (1969). Policy design literature attempts to examine the challenges that may have been faced in developing and in implementing policies. A clear understanding of the formulation and implementation challenges facilitates a better grasp and a better understanding of shortcomings that may finally be found during evaluation (and thus improve the re-design of the policy in the next step).

All the studies discussed above have mentioned the importance of understanding the context (political, administrative, societal, cultural, etc), where the policy design process takes place. The large majority of the studies discussed in the above chapter are located or discuss policy design in the context of countries with a stable political system and a functional public administration; a functional public administration where usually organisational and institutional capacity is present and is a given (albeit arguably the access to resources can be improved). The advantages brought by the design approach in order to develop solutions for societal problems in a complex and turbulent environment are already documented in the available literature. The complementarity between the theoretical approaches of social science and the methodological instruments is more relevant than ever for public administration.

However, the conditions necessary and required to develop institutional, administrative, and policy capacity needed to conduct policy design (with all its caveats) are painfully absent from the mainstream literature. To a certain extent, it is logical because in the political-administrative contexts investigated by mainstream literature, they do exist and are arguably taken for granted. The transition and developing countries remain under-represented in mainstream literature. The sectorial literature on water management, natural disaster mitigation, or emergency response planning provides some answers to that need, and points out the blind spot that exists in the mainstream literature in public administration: how to build institutional capacity for policy design in the public sector. What are the institutional conditions specific for applying design in the public sector (in its diversity)? Glimpses at the (few) studies that exist suggest a high level of inequality and dependence on local context, a strong top-down approach, and – in the best case scenario – an opportune happy conjunction of resources, usually united under a visionary leader with strategic capacity.

The lack of attention for the development of sustainable and systematic institutional, administrative, and policy – and policy design – capacity is regrettable for both practical and academic reasons. From a practical point of view, it is unfortunate because it does not equip academia to properly help policy makers with the

knowledge and insights needed to solve societal problems. The academic reasons are, arguably, even more stringent. First, it impedes on the testing of theories in different contexts, and thus limits the advancement of knowledge. Second, developing and transition countries have been systematically faced – for at least thirty years – with structurally unstable political systems and with competing and conflicting requests from very different societal groups: this means that they are accustomed to dealing with political instability. In spite of this political instability, administrative systems have (indeed, slowly) been reformed and continued to execute their tasks, and learned on-the-go to cope with an increasing set of societal challenges. When studied and analysed systematically, the experiences of transition and developing countries have a strong potential to contribute to the further development of public administration literature by showing how to cope with a continuous transformation in an unstable environment. This is of particular importance given the increasing turbulence at global level, where economic and financial crises propagate quickly, and developing sustainable answers requires swift and coordinated responses.

## References

---

- Ackoff, R. L. (1974) *Redesigning the Future*, New York: Wiley.
- Bauer R. A., and Gergen, K. J., (1968), *The Study of Policy Formation*, New York, Free Press.
- Bobrow, D. B. (2006). Policy design: ubiquitous, necessary and difficult. In Peters, G., & Pierre, J. (eds.), *Handbook of Public Policy*. London, UK: SAGE publishing.
- Brandsen, T., & Honingh, M. (2016). Distinguishing Different Types of Coproduction: A Conceptual Analysis based on the Classical Definitions. *Public Administration Review*, 76(3), 427–435.
- Capano, G., Howlett, M, and Ramesh, M (eds.) (2019), *Making Policies Work. First and Second order Mechanisms in Policy Design*, ElgarOnline.
- Cooley M. (1989) Human-centred Systems. In: Rosenbrock H. (eds) *Designing Human-centred Technology*. The Springer Series on Artificial Intelligence and Society. Springer, London.
- Dahl R. A., and Lindblom C. E., (1953), *Politica, Economics, and Welfare*, New York: Harper &Row.
- Giacomin J. (2014) What Is Human Centred Design?, *The Design Journal*, 17:4, 606–623.
- Hermus, M., van Buuren, A. and Bekkers, V. (2019) Applying design in public administration: a literature review to explore the state of the art, *Policy & Politics*, xx(xx): 1–27, DOI: 10.1332/030557319X15579230420126.

- Hoppe, R. (2010). *The Governance of Problems: Puzzling, Powering, Participation*. Bristol, UK: The Policy Press.
- Hoppe, R. (2018). Rules-of-thumb for problem-structuring policy design. *Policy Design and Practice*, 1(1), 12–29.
- Howlett, M., & Mukherjee, I. (2018). The contribution of comparative policy analysis to policy design: articulating principles of effectiveness and clarifying design spaces. *Journal of Comparative Policy Analysis: Research and Practice*, 20(1), 72–87.
- Howlett, M., & Rayner, J. (2013). Patching vs packaging in policy formulation: assessing policy portfolio design. *Politics and Governance*, 1(2), 170–182.
- Howlett, M., and Lejano, R. P. (2012) Tales From the Crypt: The Rise and Fall (and Rebirth?) of Policy Design, *Administration & Society* XX(X) 1–25 doi:10.1177/0095399712459725.
- Lasswell, H. D and Lerner, D. (eds) (1951) *Recent Developments in Theory and Method*, Stanford, CA: Stanford University Press.
- Lember, V. Taco Brandsen and Piret Tönurist (2019) The potential impacts of digital technologies on co-production and co-creation, *Public Management Review*, 21:11, 1665–1686.
- McConnell A (2010) Policy success, policy failure and grey areas in-between. *Journal of Public Policy* 30(3): 345–362.
- Meijer, A. (2018). *How can Specific Design Interventions Generate Generic Knowledge? – Design-Oriented Public Administration Research for Useful Interventions and Academic Knowledge*. Paper presented at the IRSPM 2018, Edinburgh.
- Peters, B. G. (2018), *Policy Problems and Policy Design*, Cheltenham, Edward Elgar.
- Roberts, A. (2017). The Aims of Public Administration: Reviving the Classical View. *Perspectives on Public Management and Governance*, 73–85. Retrieved April 20, 2018, from <https://academic.oup.com/ppmg/article-abstract/1/1/73/4259411>.
- Shangraw Jr., R. F., & Crow, M. M. (1998). Public Administration as a Design Science. *International Journal of Public Administration*, 21(6–8), 1059–1077.
- Van Buuren, A., Lewis, J., Guy Peters, B., and Voorberg, W. (2019) Improving public policy and administration: exploring the potential of design, *Policy & Politics*, xx(xx): 1–17, DOI: 10.1332/030557319X15579230420063.
- Verschuere, B., Brandsen, T., & Pestoff, V. (2012). Co-production: The State of the Art in Research and the Future Agenda. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 23(4), 1083–1101.

Wellstead, A., Cairney P, and Oliver K (2018) Reducing ambiguity to close the science-policy gap, *Policy Design and Practice*, 1:2, 115–125,



# **2. Empirical Research Papers on Policy Design and Policy Practice**

---

*Editors: Michiel S. de Vries, Juraj Nemec, Veronica Junjan*



# Policy Design and its Relevance for Practice in Public Administration

---

*B. Guy Peters<sup>1</sup>*

## Abstract

Policy design is often portrayed as an abstract activity divorced from the day-to-day practice of governing. That depiction is unfortunate, given that any proper policy design involves a plan for intervention – the implementation of the policy that has been designed. Without some attention to implementation, a design is unlikely to be successful, no matter how well the problem is structured or the instruments are selected. The policy designer also needs to be aware of common pitfalls in design, such as thinking too narrowly about the policy, and failing to understand the complex policy environment into which any new policy will be introduced. Some of those difficulties in policy design are being addressed through newer approaches to design that focus on expanding the range of alternatives considered and in involving a wider range of actors in the design process. However, that style of design tends to be practised in more autonomous policy labs, rather than within government itself. That autonomy may produce more creative designs, but it may also make the designs less acceptable to practitioners within the public sector.

## Points for Practitioners

Designing public policy is an important activity for practitioners in the public sector. Designing, however, is often done without careful analysis of the nature of the policy problem being addressed and the nature of the instruments available for addressing public problems. While often successful, conventional approaches to policy design have a number of serious problems that tend to produce inadequate, or at least incomplete, design. In particular, the conventional means of policy design tended to be too narrow, tended to ignore the existence of other policies in the same domain, and tended to ignore context. That technical approach to design can be augmented by more collaborative mechanisms that include stakeholders, experts or even ordinary citizens.

---

<sup>1</sup> Department of Political Science, University of Pittsburgh, Pittsburgh, PA, USA.

**Keywords:**

policy design, policy formulation, policy instruments, collaborative governance

## **1. Introduction**

---

The theme of the NISPAcee conference in Prague in 2018 was “From Policy Design to Policy Practice”. With all due respect to the organisers of the conference, that title creates an artificial separation between design and practice. All too often policy design is conceptualised as abstract, and disconnected from reality. There are certainly instances of design being extremely abstruse and impractical, but a good design will contain an action plan as well as a template for attaining the desired policy goals.

Implementation through public administration – whether along or in conjunction with their partners in the private sector – must always be considered as a component of policy design. Policy designs are built around a set of instruments that are used to make policies work, but which do not work on their own. They work through organisations and programmes within public administration. For example, if the instrument in question is a grant to individuals, someone must decide who is eligible to receive the grant then ensure that the grant is paid and then monitor the results.

With this basic notion in mind that policy design must contain some ideas about implementation, I will proceed to discuss some aspects of policy design, including something of the weaknesses often encountered in designs. I will then discuss some aspects of emerging models of design, and then how to link the organisations within the public sector with the designs. Taken together, these points should provide an understanding of how policy design and the process of designing, are linked to public administration.

## **2. The Background of Policy Design**

---

All policies are designed, whether the design is implicit or explicit. The policy may be formulated to look like other policies in the same domain – another social insurance programme for example – but there is still a design. The extensive literature on policy formulation (Joardan and Turnpenny, 2015) provides some understanding of the general processes for confronting a policy problem and then developing the mechanisms for attempting to solve, or at least ameliorate it (see also Peters, 2019).

Scholars interested in public policy have been discussing the term from the beginnings of policy studies. For example, Herbert Simon in the 1950s argued that policy and public administration were, in essence, design sciences (see Simon, 1996). And the planner Jan Tinbergen discussed the need to identify problems and formulate designs for solving them. Both of those scholars were Nobel Laureates.

But although these founders of the field clearly identified the importance of design, they did not (with the exception of Harold Lasswell) develop the idea further.<sup>2</sup>

There was some hiatus in the concern with policy design after the initial interest in the concept. While policy analysis was being developed, it was more concerned with assessing the consequences of policy choices (usually in economic terms) or understanding the consequences of the policy process for the policies being selected. These were very worthy topics, but did not contribute significantly to the development of policy design.

### 3. Technocratic Policy Design

The policy design model that emerged during the 1970s and 1980s was technocratic, with an explicit or implicit analogy to design in engineering or architecture. The assumption was with sufficient research and cogitation we would be able to develop design algorithms that would match solutions (in terms of instruments) to problems. While the assumption that such algorithms would be possible in the foreseeable future, the work did identify four key features of a policy design.

The first requirement for designing is a *model of causation*. If we are to solve a policy problem we need to be able to identify the cause. That appears a very simple requirement but in reality can be extremely difficult. Policy problems have multiple causes, and individuals may have entirely different ideas about causation. Take, for example, poverty. Is poverty a function of individual behaviours and inadequacies or is it systemic? And poverty can be seen as representing the interaction of social, cultural, economic and geographical factors, as well as being potentially exacerbated by public policy itself.

Second, a policy design must have a *model of instrumentation*. That is, what instruments will the policy utilise in order to produce the desired results in society. There are dozens of alternative tools available (see Salamon, 2002) but they can be, to a large extent, subsumed under the acronym of NATO–Nodality (Information), Authority, Treasure and Organization (Hood, 1984). Further, most instruments are hybrids – a tax based instrument will obviously be dependent on treasure, but is based on law (authority) and also must be implemented through some taxing organisation.

Tools can be interchangeable in a technical sense. If I want to provide benefits to low-income citizens I can use grants, subsidies, tax expenditures, public employment, or other instruments to achieve the same end. The instruments may be technically substitutable, but they will each have a distinct political economy that is not substitutable. For example, a direct grant is politically visible and may evoke reac-

---

<sup>2</sup> Simon did work on the issue of problem structuring, although in the context of making policy problems amenable to solution through artificial intelligence.

tions whilst tax expenditures (Dharmapala, 1999) are more hidden and enable government to operate with less overt opposition. Likewise, some tools may be used to build political coalitions to adopt legislation that might not fit around other equally useful instruments (see Peters, 2002).

The third element of any effective policy design is a model of *intervention*. As already mentioned, we have to be able to implement the policy design for it to produce the benefits anticipated. Instruments are part of the plan for intervention, but they do not work on their own. Governments, with or without the involvement of private sector partners, must develop the means of implementing the programme. Those means will include not only bureaucracies, but also must include some conceptualisation of how to break into complex social and economic processes to have the most effect. For example, to solve poverty problems, it may be most effective to intervene early in the lives of children rather than waiting until they have lost opportunities and lost hope.

Finally, a policy design must have a model of *evaluation*. This means not only a formal plan for assessing the effects of the design (Vedung, 2013) but also an underlying set of values which are being pursued through the design. A policy design may pursue a variety of different values. Common approaches to policy analysis such as cost-benefit analysis impose utilitarian values on policy (Mishan and Quah, 2007). Other policy analysts may be more concerned with social justice and equality (Klinsky and Dowlatabadi, 2009). But whatever the values may be, underlying any policy design is an idea of a “good” outcome.

This fourfold conception of policy design was valuable in identifying the requirements for design, but was also in some ways naive. In particular, it ignored the importance of politics and public participation in designing policies. While such a technocratic solution might be possible in authoritarian regimes, democratic policy designing will involve conflict and contestation, rather than applying formulas. The collaborative (see Skelcher, Mathur and Smith, 2005) and participatory modes of designing are becoming all the more significant as a means of opening up the process of policymaking.<sup>3</sup>

#### **4. Issues in Policy Design**

---

Policy designers, whether oriented towards more technocratic mechanisms or oriented towards more participatory methods, still confront some common problems. These problems have been inherent in policy design since governments began to make policy, and although there has been some degree of learning, they tend to persist. Several of these problems are also related to the organisational foundations of policymaking, and the role of public administration in making and implementing

---

<sup>3</sup> Interestingly, there is also another wave of technocratic approaches to design that are attempting to use big data and computer methods to produce.

policy. Thus, they are very much related to taking a potentially abstract design and making it function effectively.

#### 4.1 Designing for a Narrow Field

The structure of government and much of our thinking about public policy focuses on narrow policy domains, and attempts to solve the problem that has been identified within that domain. Policymakers will categorise a problem as a health issue, or a defence issue, and then assign it to the organisations within that domain. This narrow vision makes sense up to a point. Government organisations are specialised, and hence can bring their specialised expertise to bear on the problem.

But that specialisation will be bought at a price (see Bouckaert, Peters and Verhoest, 2010). Very few policy problems can be neatly contained within a single policy domain, and may require the involvement of multiple actors to achieve success. For example, if the policy goal is to improve health, this will obviously involve the ministry of health and other health related organisations. But it should also include other policy areas such as food and nutrition, social services, sports and recreation, etc. Coordination and policy integration are fundamental challenges to policy design, and should be better integrated into the design process. But the difficulty for the designer is knowing how far to go in including organisations and interests that may be able to make some contribution.

#### 4.2 Complexity

Contemporary policy designers face a host of complex, or wicked policy problems (Cairney and Geyer, 2015). Climate change, migration, food security, and a host of other policy problems involve complex causation and multiple actors. Having just advised above to involve a full range of actors in policy, I now need to warn against excessive complexity. The policy designer may not be able to escape the complexity of the policy problems but s/he may be able to think of designs that do not completely mirror that complexity. The designer may want to overcome complexity with simplicity (Pierre and Peters, 2008).

The tendency of designers is generally to develop very complicated and complex solutions for problems, involving a number of moving parts. This reaction to problems may address the need to involve a wide range of actors, but it may also build in greater probability of failure. As Charles Perrow (1984) argued, complex systems have a tendency towards “normal accidents” given the number of things that must go right for the system to be successful. This is perhaps even truer of policy systems than of physical systems, given the need to involve individuals, both as policymakers and as clients.

### 4.3 The Tabula Rasa

A third issue that has arisen frequently in policy designs is the assumption made by many designers that they are designing on a *tabula rasa*. Given the number of areas in which contemporary political systems have been involved, it is unlikely that there are any virgin areas for policy interventions. Many policies are attempts to repeal or replace existing policies (see Carter, 2012), for example the continuing battles over Obamacare in the United States. Even if a policy is not an attempt to replace an existing policy, it must still be made to conform to the existing array of policies if it is going to function well.

It is, in many ways, logical that policymakers act as if they were working on that blank slate. First, it is analytically easier. When thinking about policy in such a manner it is possible to design interventions in a less constrained manner than would be possible when considering all the possible interactions with existing programmes. In addition, politically it may be important to “sell” a programme as if it is new and innovative. Attempting to pass a programme as simply a modest improvement on programmes that are already in existence is not likely to produce much excitement in parliament.<sup>4</sup>

### 4.4 Focus on Instruments

Another problem in much design activity is the focus on design as the principal, or even sole, element of design. This has been especially true in the so-called third wave of design studies (Howlett and Lejano, 2013), I have already argued that instruments are important, and they are, but they are not the only important element of a design. By only choosing to emphasise instruments in designing, the would-be designer will run the risk of a number of important flaws within the design.

In addition, there is a tendency for designers to focus on a single instrument as “the solution” to a problem. Although a single instrument may be effective for relatively simple problems, most significant policy problems are better addressed with a policy mix that can address the full range of variation of the problem over time and space. The development of such a policy mix will in turn often require enhanced coordination among organisations, each of which may be capable of managing some part of the mix.

The most important of those design problems may be solving the wrong problem, or misunderstanding the true nature of the problem being addressed. Much of the discussion of policy problems has focused on functional definitions of policy—agriculture, defence, etc. – rather than attempting to understand the analytic characteristics of those problems (Peters, 2019). The need to focus on the nature of

---

<sup>4</sup> In fairness, secondary legislation through bureaucracy may be well-suited to dealing with more minor revisions of programmes.

problems has become all the more relevant given the manifestations of interests in “wicked” and “super-wicked” problems (Levin et al., 2012).

Furthermore, as mentioned earlier, instruments need to be considered in a political and organisational context, as well as merely technical forms of intervention. Organisations in the public sector are committed to instruments, so the design process within organisations may tend to focus too quickly on familiar instruments, rather than considering the full range of options for intervention. Even individuals, based on their professional training and organisational commitments, may continue to choose those instruments with which they are familiar rather than engaging in a more open design process (see below).

#### **4.5 Lack of Attention to Context**

Finally, much thinking about policy design is conducted with little reference to the context within which design is being made and will be implemented. The assumption of a good deal of design is that one size fits all, and that an effective design in one context equals an effective design in another context. A more realistic conception of design will include the political, economic and social context explicitly in the policy design. In addition, the design must consider adaptation over time as those elements of context continue to change and to require continuing change within the policy.

The importance of context becomes all the more important when policies are being diffused from one setting to another. Evidence-based policy-making (Pawson, 2006) has become an increasingly important method for contemporary governments, but the evidence used to make policy in one context almost inevitably comes from another context. Therefore, making policy in this manner involves not only how the technical aspects of the policy function, but also how those components function within context.

#### **4.6 Organisations**

Most of the above problems encountered in policy design have at least some of their roots in public sector organisations – the administration. For example, the coordination problem mentioned above is very much rooted in organisations and their commitment to their own policies. Likewise, organizations tend to have standard operating procedures that tend to minimise their capacity to recognise complexity and to develop the mechanisms for coping with it.

The organisational basis of public policy emphasises the importance of public administration for public policy and policy design, Organisations within the public bureaucracy have expertise on their policy domains and are a major source of policy designs. The danger is, however, that the more effective an organisation is in performing its administrative tasks, the less likely it is to be in designing. The commitment to the policy domain, a strong grounding in the status quo, and commitment

to particular instruments, reduces the probability of innovative designs substantially, whether there is a need for a more creative solution for the policy problem or not. More flexible organisations may be capable of producing those more innovative responses.

## 5. The New Design

---

The above discussion of weaknesses in design and the potential absence of innovation in particular, leads on to emerging models of design in public policy. While the exemplar for older versions of design was engineering, the exemplar for the emerging model of design comes more from industrial and product design (Bason, 2016). In addition to the functional aspects of the final product, this approach to design is also concerned with the elegance of the design and the capacity to move beyond simple incremental adjustments to policy.

One of the most important elements of the “new design” is the emphasis on “upstreaming” rather “downstreaming” decision-making (Considine, 2012). That is, the emphasis in the new design is on broadening the range of options considered before making a final decision. This emphasis on multiple alternative policies is in contrast to considering a narrow range of alternatives in order to make a quick decision. The inclusion of a wide range of options will create dissensus and will require longer times to make choices, but the expectation is that there will be more innovative policies emerging from such a process.

A second element of the new design is the greater reliance on collaborative and participatory mechanisms for designing (see Bason, 2010). Collaborative governance has become central to contemporary thinking about governance and policymaking (Ansell and Gash, 2008), and collaborative design has become increasingly important in the creation of new policies (see Lewis, Van Buuren and Peters, forthcoming). The collaboration involved may be conducted with a variety of actors – stakeholders, experts or ordinary citizens – but the important point is that designers need to consider a range of opinions and options.

Finally, the new policy design tends to focus on designing systems, rather than on designing objects. The conventional approach to design has tended to focus on a single programme or component of a programme, while the newer approach attempts to design programmes within the broader context of existing programmes and organisations. This style of designing not only deals with the coordination issues mentioned above but also with the relationships of policies to the surrounding social and economic environment.

In summary, policy design is becoming more open to new ideas, and more open to a wider range of participants. That openness may undermine the central role that public bureaucracy has played in shaping policies. Although the new design does appear to open new possibilities for innovation in solving public prob-

lems, it may also generate some problems for designers. The most obvious is that the consumers of the design activity may not want such high levels of innovation, and would be quite content with incremental solutions.<sup>5</sup> Furthermore, as many of the policy labs and other design organisations exist outside, or on the margins, of the public sector, their work may not be taken as seriously as organisations within the public sector.

## 6. Summary and Conclusions

---

Designing good public policies is a central task for government, with the assistance of its allies in the private sector. Although many policies are designed by default, with little conscious thought about the elements going into the design, most reflect a design process of some sort. The interest in policy design began with rather technocratic ambitions of generating algorithms that could provide clear answers to complex policy issues. That technocratic bias has waned and been largely replaced by a more open and collaborative approach to designing policy.

As well as thinking about the design of policy itself, we also need to consider the design of the institutions that do the designing. Increasing emphasis has been placed on the openness of those institutions to collaboration and their openness to new ideas. That openness is admirable in many ways, but also must be considered in light of the need for capacity of design institutions to influence the public sector. Old fashioned bureaucratic organisations may not be as creative as policy labs, but they are better connected and have a higher probability of being able to have their ideas translated into action. The challenge, therefore, may be to find ways of blending more creative processes with more stable institutions.

## References

---

- Ansell, Chris and Alison Gash. 2008. Collaborative Governance in Theory and Practice, *Journal of Public Administration Research and Theory* 18: 543-71.
- Bason, Christian. 2010. *Leading Public Sector Innovation: Co-Creating for a Better Society*. Bristol: Policy Press.
- Bason, Christian. 2016. *Design for Policy*. London: Routledge.
- Bouckaert, Geert, B. G. Peters and Koen Verhoest. 2010. *The Coordination of Public Sector Organizations*. Basingstoke: Macmillan.
- Cairney, Paul and Robert Geyer. 2015. Introduction, in *Handbook on Complexity and Public Policy* Robert Geyer and Paul Cairney, eds., Cheltenham: Edward Elgar.

---

<sup>5</sup> Henry Ford once said that if he had asked his first customers for automobiles what they really wanted they would have said a faster horse.

- Carter, Pam. 2012. Policy as Palimpsest, *Policy & Politics* 40: 423-43.
- Considine, Mark. 2012. Thinking outside the Box? Applying Design Theory to Public Policy. *Politics & Policy* 40: 704-24.
- Dharmapala, Dammikha. 1999. Comparing Tax Expenditures and Direct Subsidies, *Journal of Public Economics* 72: 421-54.
- Hood, Christopher. 1984. *The Tools of Government*. Chatham, NJ: Chatham House.
- Howlett, Michael. And Raul P. Lejano. 2013. Tales from the Crypt: The Rise and Fall (and Rebirth?) Of Policy Design, *Administration & Society* 45: 357-81.
- Jordan, Andrew J. And John R. Turnpenney. 2015. *The Tools of Policy Formulation*. Cheltenham: Edward Elgar.
- Klinsky, Sonja and Hadi Dowlatabadi. 2009. Conceptualization of Justice in Climate Policy, *Climate Policy* 9: 88-108.
- Levin, Kelly, Benjamin Cashore, Steven Bernstein and Graeme Auld, (2012). Overcoming the tragedy of super wicked problems: Constraining our future selves to ameliorate global climate change. *Policy Sciences* 45: 123-152.
- Mishan, Ezra. J. And Euston Quah. 2007. *Cost-Benefit Analysis*, 5<sup>th</sup> Ed. London: Routledge.
- Pawson, Ray. 2006. *Evidence-Based Policy: A Realist Perspective*. London: Sage.
- Perrow, Charles. 1984. *Normal Accidents: Living with High Risk Technologies*. New York: Basic Books.
- Peters, B. Guy. 2002. The Politics of Policy Instruments, in *The Tools of Government: A Guide to the New Governance*, Lester. M. Salamon, ed. New York: Oxford University Press.
- Peters, B. Guy. 2019. *Policy Problems and Policy Design*. Cheltenham: Edward Elgar.
- Pierre, Jon and B. Guy Peters. 2008 Governance and Social Complexity, *Statsvetenskapliga Tidskrift* 110: 239-48.
- Salamon, Lester. M. 2002. *The Tools of Government: A Guide to the New Governance*. New York: Oxford University Press.
- Simon, Herbert. A. 1996. *The Sciences of the Artificial*, 3<sup>rd</sup>. Ed. Cambridge, MA: MIT Press.
- Vedung, E. 2013. Six Models of Evaluation, in *Routledge Handbook of Public Policy* Eduardo, Araral, Scott Fritzen, Michael. Howlett, M. Ramesh and Xun. Wu (eds.), London: Routledge),

# Redesigning Policy Cycles and their Design

*Geert Bouckaert<sup>1</sup>*

There are many classifications of how to describe and analyse public sector policies. Some focus more on rationality of policies. Some clusters focus more on participation. Some policy typologies emphasise more the connection to financial systems.

In most of these cases the logic of chronology is used, even if this logic is more analytically sound than part of reality. The four main components in the policy chain are design, decide, implement, and evaluate, and the sequence is closed; there is a feed-forward to a new cycle. Obviously, these stages are overlapping and incremental, resulting in hybrid stages with feedback moments within and between these stages to allow for corrective actions.

This chapter is about how policy cycles as such are changing, and how certainly the design stage is changing. Changing contexts and needs result not only in changing the design of a policy cycle, but also of the design stage in this policy cycle.

There are three major drivers of why these reforms are occurring: stakeholders, concepts of cycles, and layers of governance.

Public systems have been shifting from ‘administrations’ and ‘bureaucracies’ to ‘managerial systems’, to renewed managerial systems, and now to governance systems. The previous reform era, with a general label of ‘New Public Management’ has impacted many countries belonging to different legal and administrative traditions. This NPM era was dominant in common law countries which are Anglo-Saxon. Obviously, the US is a *sui generis* case, which is also absorbed by the NPM reforms. The generations of NPM ran from about 1990 till about 2010.

There are some lessons to be learned from that period. Markets are useful in some policy fields, but not applicable to all services and policy fields. Networks are useful, but should also be effective and not just cosmetic. Hierarchies remain very useful and essential to make the public sector function. Performance should remain a focus, however, a cost-benefit-analysis is needed, and the value-added is conditional on how performance information is measured, how this information is embedded in documents and in the policy cycle, and of course, how this informa-

---

<sup>1</sup> Public Management Institute, Katholieke Universiteit Leuven, Leuven, Belgium.

tion is used to deliver services, to learn, and to be accountable. Agencies are useful; however one needs to keep an eye on co-ordination. There is a risk of an entropic system of organisations, especially when there is a weak centre of government. Finally, partnerships are essential to deliver services, especially after the global economic crisis, and the period of austerity. However, one should not be losing control over these partners.

All these post-NPM dynamics, and lessons learned, have resulted in a qualified implementation of reforms, ultimately resulting in three 'ideal types' of systems: New Public Management, a market based system, providing Market-Type-Mechanisms (MTM); Neo-Weberian Systems (NWS), a rule-of-law and administrative law-based system which is also hierarchy based, developing Hierarchy-Type-Mechanisms, and New Public Governance (NPG), a network-based system, generating Network-Type-Mechanisms. This resulted in the need for a smart combination of these three systems. No realities show pure or ideal-type systems. All realities are hybrids and blends of these three 'pure models' (in Weber's terms, 'Ideal Typen'). Obviously, the legal frames (common law versus administrative law), and the cultural administrative traditions push for a dominant model, to which other tools and instruments are added.

The global economic crisis, beginning around 2008, triggered significant austerity measures in almost all OECD countries. Fiscal stress and additional societal challenges, such as, for example, migration, natural disasters, and recessions, have triggered the need to change decision-making, to change the substance of policies, and changing from management to governance.

## **Changing Decision-Making**

---

The classical decision-making within a policy cycle is affected by urgencies, turbulences, and citizen pressures. There are several elements that have affected and changed such decision-making. The need to be able to continue to deliver public services, and to guarantee continuity of a presence in the public sphere in a context of reduced funding, has pushed the public sector to allow for participation through investments and co-production. The variations of design-build-finance-operate-maintain (DBFOM) in all policy fields are significant, from schools to hospitals, and from prisons to highways. This obviously implies co-decision-making. There is also a trend to see a combination of new centralisation with new decentralisation. There is a clear trend of new centralisation for matters of debt management, and fiscal rules, which are consolidated. There is a new decentralisation for hiving off responsibilities to local governments for service deliveries and policy competencies and unmatched funding. This new decentralisation results in hidden savings. In several countries tough decisions have not been taken by parliaments but through referenda. This has shifted the decision format from representative and delegated

decision-making to direct decision-making. This has also affected the need and type of communication and decision-making: from indirect political communication to direct communication, e.g. through social media. Also, the evidence needed for evidence-based policies is under pressure since ‘alternative truths’ and ideological stands are driving decisions. Finally, also the nature of leadership, which is necessary for decision-making, is changing. There is a decrease in political leadership quality because of increased populism. Obviously this has an impact on how decisions are made.

## **Changing Contents of Policies**

---

Even if policies are under pressure to become less evidence-based, there is still a need to recognise societal, economic, social, and ecological pressures. In many cases, problems become ‘wicked’. One could say that realising the seventeen sustainable development goals includes a lot of wickedness. Reducing the welfare state, or making the welfare state less accessible, happens in a context of tensions between nationalism and globalism. In several countries there is an issue of ‘inclusion’. Significant parts of populations experience exclusion, and feel abandoned, which feeds a populist policy cycle.

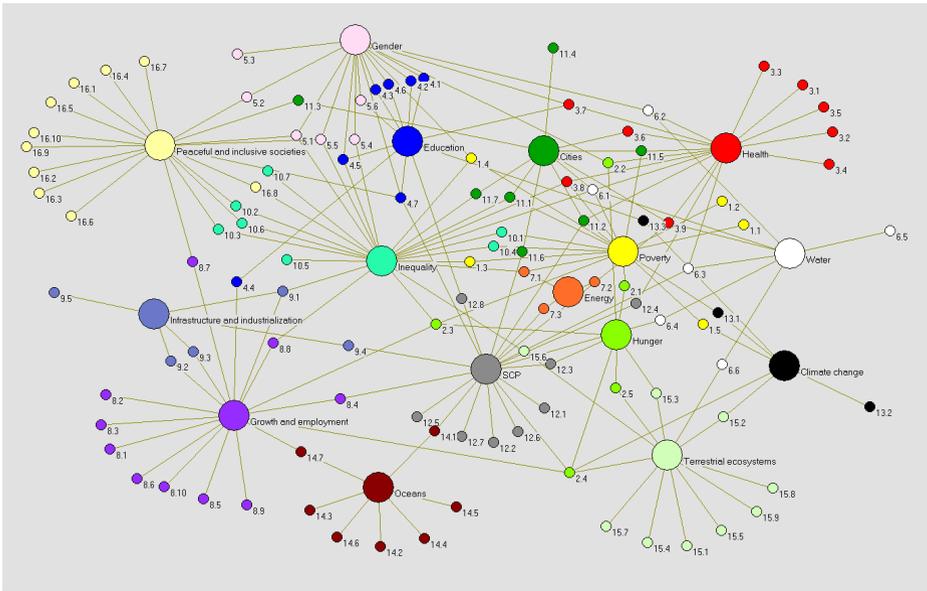
## **Changing from Management to ‘Complex’ Governance**

---

These changes in decision-making and policy content drivers have pushed for a change from classical management and administration to complex governance with hybrid typologies. A smart blend of hierarchy, markets, and networks is needed. Also, the three tier layers of government are too simple to match complex realities. There is a need for vertical co-production, between all layers, and for horizontal co-production, which includes public, private, NGO’s, and citizens as users. In many cases, this requires changing legal systems, e.g. by importing private law in a public space.

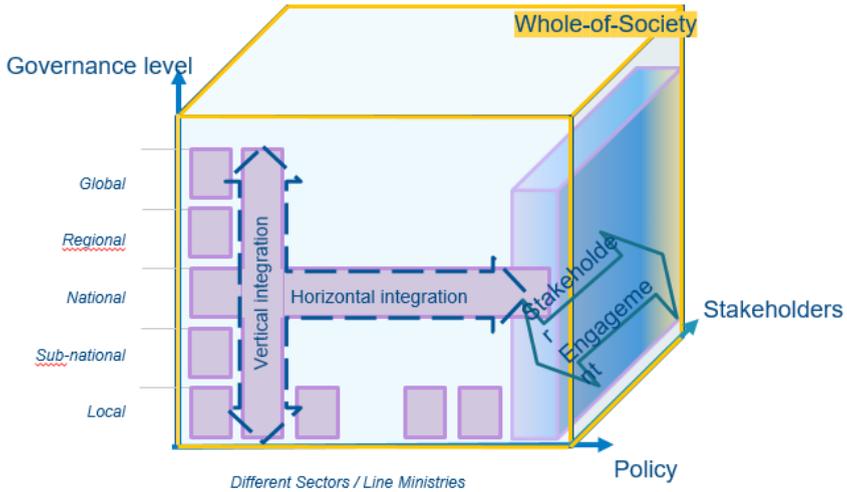
An indicator of the complexity, hybridity of targets, and even the wickedness of goals is the connectedness of the goals of the seventeen sustainable development goals, as depicted in graph 1. It is clear that these interconnected clusters cannot be realised with and within organisational silos. What is needed is a flexible setting of organisations which are interconnected themselves, in a horizontal way, in a vertical way, and with citizens, users and other stakeholders. Graph 2 gives an impression of this matching complexity of integrating horizontal and vertical actors, with a whole-of-society stakeholder integration, which is needed to realise these seventeen SDGs.

**Graph 1**  
Complexity and connectedness of the 17 SDGs



Source: Le Blanc, 2015: 3

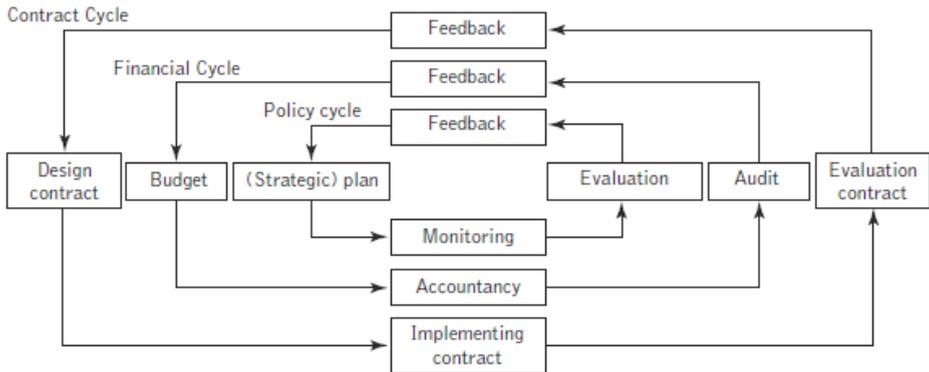
**Graph 2**  
Integration of vertical and horizontal, and whole-of-society dimensions



Source: UNDESA, 2018

This brings us back to the classical policy cycle, which is affected two-fold, first (graph 3) to cope with the complexity, the classical cycle is amended by adding the financial cycle with its budget, accounts and audits, and with a contracting cycle that also follows the logic of the basic policy cycle (design with strategic plan; implementation with monitoring, and evaluation of policies).

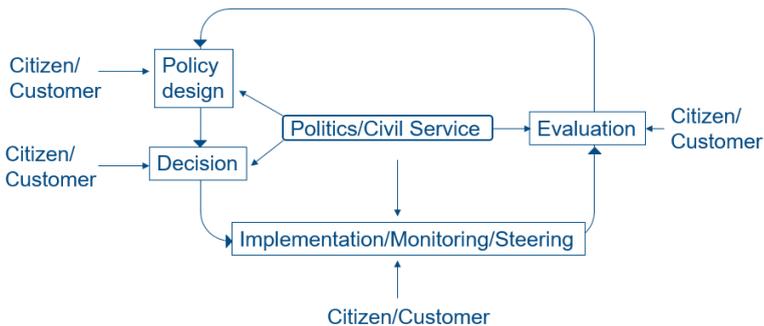
**Graph 3**  
Three cycles: policy, finance, and contracts



Source: Van Dooren, Bouckaert, Halligan, 2015: 103)

A second amendment is to add citizens as customers, or the other stakeholding co-producers to all stages of the classical policy cycle. It results in co-design, co-decide, co-produce, and co-evaluate (see graph 4).

**Graph 4**  
Co-design, co-decide, co-produce, and co-evaluate



Active Involvement of citizens/customers

Source: Van Dooren, Thijs, Bouckaert, 2004, p. 95.

In conclusion, a classical policy cycle is being redesigned because of changing circumstances and needs. The shifting decision-making processes, combined with changing policy contents, result in much more complex systems to govern these policies. This implies including and even integrating vertical and horizontal partners, citizens and whole-of-society at all stages of a classical policy cycle. It also implies that a policy cycle drives a financial and a contract cycle, which needs to be consolidated. That requires hybrid and connected organisations, since classical silo organisations applying classical silo staged policy cycles do not fit the complexities, wickedness and hybridity of current and future realities.

## References

---

- Le Blanc David (2015) Towards integration at last? The sustainable development goals as a network of targets. In *Sustainable Development* (2015, 23).
- Pollitt Christopher, Bouckaert Geert (2017, 4<sup>th</sup> ed.) *Public Management Reform*. Oxford University Press, Oxford.
- UNDESA (2018) *World Public Sector Report*. New York, UN.
- Van Dooren Wouter, Bouckaert Geert, Halligan John (2015, 2d ed.) *Performance management in the public sector*. Routledge, Oxon.
- Van Dooren Wouter, Thijs Nick, Bouckaert Geert (2004) *Quality Management and the Management of Quality in European Public Administrations*. In Löffler Elke, Vintar Mirko (Eds) *Improving the Quality of East and West European Public Services*. Ashgate, Aldershot, p.91–106.

# Public Policy in Troubled Waters<sup>1</sup>

*Martin Potůček<sup>2</sup>*

## Introduction

At the 12<sup>th</sup> Annual NISPAcee Conference in Vilnius, Lithuania in May 2004 I presented a public lecture “*Public Policy: Bridge over Troubled Water?*” (Potůček 2005) It was also the month when nine central and eastern European countries plus Cyprus became new members of the European Union.

It might be intellectually interesting and practically potentially productive to have a look at the previous thoughts and hopes and confront them with the actual situation and future developmental trends. Let me offer you this critical self-reflection.

The theme of the old lecture was identical to the present one. I tried to confront the problems of governance we faced at that time with the potential of public policy as – at least in Central and Eastern Europe – a newly emerging, promising academic discipline and societal practice. The spirit of the times in our region was quite optimistic. Nevertheless, I put forward some of the reasons why, ending the title of my presentation with a question mark, not a full stop.

Nowadays, even if public policy is a fast developing, booming discipline, threatening and unsolved problems of governance and the human situation made me more pessimistic in Prague in 2019 than in Vilnius fifteen years ago. I would like to offer you some hints as to why, paradoxically enough, public policy is dramatically lagging behind the evolving needs to solve the problems of governance and, consequently, mankind.

I will begin with the empirical evidence of the development of our discipline. I will continue by enumerating present and developmental challenges of governance at a global, European and nation-state level. Calling your attention to the widening gap between the two, I will both argue why I do not see any robust bridge crossing

---

1 This is the updated version of a key-note speech at the 27<sup>th</sup> NISPAcee Annual Conference “From Policy Design to Policy Practice”, Prague, May 24–26 2019.

2 Faculty of Social Sciences, Charles University, Prague, Czech Republic.

this gap as I foresaw in 2004, and encourage all of us to try to build, if not bridges, then at least footbridges to close these widening chasms.

## **Public Policy – A Booming Discipline**

---

Apart from the many journals devoted to various aspects of public policy, one can see a short, newly emerging, but successful history of Biennial International Conferences on Public Policy (ICPP) with fewer than one thousand participants in Grenoble (2013) to 1,300 attendees in Milan (2015) and Singapore (2017). More than 1300 participants from 84 different countries took part in the conference in Montreal (2019), which was organised with more than 20 themes, 170 panels and 300 sessions.

The International Library of Policy Analysis, issued by Policy Press in Bristol may serve as another indicator of the worldwide spread of the discipline: between 2013 and 2018, fourteen volumes, overviewing state-of-the art discipline in particular countries, comprising Australia, Belgium, Brazil, Canada, Czech Republic, France, Germany, Japan, Mexico, The Netherlands, Israel, Taiwan, Turkey and the United States. Publishing houses are keen to publish monographs and textbooks. Universities launch new courses and study programmes...

## **Threatening and Deepening Problems of Societies and Governance**

---

Similarly, there is clear evidence of huge developmental discrepancies which make our lives less secure, less understandable, more fragile and, in many ways, unjust. Let us look at this phenomenon at global, European and national levels.

### **At Global Level**

---

More than seventy years after the end of WW2, associated with failures of post-colonial development in the developing world, we witness the destruction of a post-war international order: unscrupulous violation of international laws by superpowers, technological development of weapons of mass destruction and other previously unheard of means of annihilation, local wars, and, last but not least, the rise in terrorism.

Mankind is able to produce more and more resources, but consumption exceeds capacity in an increasing ratio of exploitation over the earth's self-renewal capacity. Measured by the indicator called the ecological footprint, humans used natural resources 1.7 times faster than ecosystems can regenerate in 2018.

Global warming is on the increase (as indicated by an exponential curve). There are other risks associated with environmental deterioration, such as the extinction of millions of living species (Climate Change 2019). The attempt to universally accept and obey the international agreement on the fight against global warming has failed. (Paris Agreement 2015)

All efforts for the more equitable distribution and use of resources over the long-term have been unsuccessful. The chasms are widening between the rich and the poor.

## **At EU level**

---

The decades-long dominance of neoliberalism, slightly weakened only after the financial crisis around 2008, made most national welfare states more fragile and residual – with more serious negative consequences in the post-communist world. (Orenstein 2003) The European Union was not able to resist the pressure of economic globalisation on its Member States. In some instances, it even mediated it from a global to the national level. (Potůček 2018)

The European “troika” (European Commission, European Central Bank, and International Monetary Fund) were rolling democratic decision-making procedures at national level. The most obvious example was the way in which it forced the Greek state to solve its indebtedness despite the democratically expressed will of its citizens. Despite various political declarations, we witness persistent – and sometime even increasing – indebtedness of many Member States.

As a whole, the EU has been surprised by the recent inflow of legal and illegal migrants and unprepared to deal with it in an efficient and justifiable way. The disproportional exposure to different Member States generated both internal and external political, administrative and ethnic tensions.

Unsolved social problems, such as youth unemployment, precarious employment, unaffordable housing or resistant pockets of poverty contribute to the relatively low legitimacy of the European Union in the eyes of citizens, which is often associated with the rise in political extremism and authoritarianism.

## **At the Level of Nation States**

---

Many political representatives are finding themselves in a trap; most of the problems that citizens believe they should solve are outside their political and economic control. This is closely associated with an open crisis of liberal democracy and traditional forms of democratic mediation of interests.

On the one hand, we can observe splitting liberal democratic societies with deepening societal and economic cleavages (namely in the United Kingdom,

France, USA, or Italy) (Ringen 2013). On the other hand, we witness the rise of authoritarian regimes, some with booming economies, but all seriously violating basic human and political rights. (Ringen 2016) In between these extreme cases, we can find countries with a hybrid constellation of de facto authoritarian regimes formally applying democratic processes and institutions (in Latin America, in the Middle East, and in some ex-communist countries).

## **General Symptoms of Crisis in Governance**

---

In his seminal book “*The Capacity to Govern*” Dror (2001) called attention to the obvious incapacity of mankind to rule its own affairs. In my perspective, the context of recent economic and political development has accented his conclusion.

Let us mention just a few important aspects which make public policy aimed at satisfying public interests even more and more difficult. The power and wealth of multinational companies exceeds the regulatory power of nation states and international political and administrative attempts to channel them. For early evidence of this phenomenon see Lindblom 1977. There are many examples of wealthy moguls of market and powerful media owners’ intrusion into a political and administrative sphere. There is no country which can declare a victory in its fight against corruption. Globalisation, regionalisation, the overlapping of the market, the government, and the media – all this renders responsibility for the consequences of political and administrative decision even more obfuscated.

I see another aspect of governance crisis in myopic decision-making without strategic perspective and precaution. One can identify it at global, European and national levels. Behind it we can identify the impact of the political electoral cycle, or the lack of competence of decision makers, or both.

## **Why is Public Policy as a Scientific Discipline Lagging Behind Such a Development?**

---

The general cognitive capability of humankind is dependent on the application of theories as a comprised generalised experience. Nevertheless, the development of civilization generates new situations which were previously unknown. Thus, theories are unable to catch up with such unique societal transformations.

Whereas cognitive problems to be solved are complex, disciplinary boundaries and explanatory frameworks of different social sciences used to be rigid. Scholars from different branches of science are not really motivated to help each other and collaborate.

Social sciences face great difficulties in analysing the impact of globalisation as their traditional subject matter used to be nation states. They have tried to solve this

problem, amongst others, by applying concepts of governance (including multilevel governance), political and social network theories, social construction theories and so on. These approaches are, despite innovative approaches, rarely strong enough to explain complex societal phenomena.

We still witness a widespread incidence of “imperialism of economics”, one-sided explanation of societal problematics, often driven by strong, hidden or open, partial economic interests.

## **Can We Enhance our Capabilities in Order to Close the Gap Between our Knowledge and the Capacities of Governance?**

As scholars responsible for general societal welfare, we are obliged to mobilise our cognitive capabilities by closing the gap between disposable theories and real-life developments. As an example this might serve the need for a better explanation of the role of mass communication, and namely social media in governance, as there is the undeveloped recognition of media power in influencing the minds of citizens as well as political representatives. Greater attention should be paid to the development of more general conceptual frameworks able to absorb and utilise the approaches of associated disciplines (demography, sociology, economics, political science, informatics, public administration, media studies, cultural studies, psychology, anthropology, and medicine...) (Potůček 2017).

I would call particular attention to all forms of public policy education. It should be based on the mediation of both the latest theoretical and methodological achievements of the discipline, and sharing experience of their implementation in practice. As such, it represent a serious challenge to public policy schools. Anheier (2019) sees their way forward as follows:

- *“Become more reflective on the conditions of democratic society that make public policy schools possible now and in future, and therefore focus not only on the realisation of given political objectives but also on their formation;*
- *Take seriously the curricular reforms needed to address the needs of a changed student body on the one hand, and the changed needs of employers on the other;*
- *Anticipate the profound changes that digitalisation is bringing, not only to public administration systems but also to society at large;*
- *Find ways to show that evidence matters and that the Weberian ethics and call for public stewardship are still very valid and essential to allow the polarised elite to engage in policy discourse.”*

Last but not least, another important skill is to learn and apply effective ways of direct collaboration between academicians, politicians, civil servants, journalists, and citizens in participative decision-making.

\* \* \*

This is the genuine content of the 27<sup>th</sup> NISPAcee Annual Conference with its heading “*From Policy Design to Policy Practice*”. I hope that you will be able to turn my scepticism into a cautious optimism by a concentrated effort to make the outcomes of this conference an influential set of present and future steps going exactly in this direction.

## References

---

- Anheier, H. K. On the Future of the Public Policy School. 2019. *Global Policy* 10(1).
- Climate Change Is a Key Driver for Species Extinction. Report of Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES), 2019. Report available at <https://unfccc.int/news/ipbes-climate-change-is-a-key-driver-for-species-extinction>; press release available at <https://www.ipbes.net/news/Media-Release-Global-Assessment>
- Dror, Y. 2001. *The Capacity to Govern*. London: Frank Cass.
- Lindblom, C. E. 1977. *Politics and Markets*. New York: Basic Books.
- Orenstein, M. A. & Haas, M. R. 2003. *Globalization and the Development of Welfare States in Postcommunist Europe*. Belfer Center for Science and International Affairs, J. F. Kennedy School of Government, Harvard University.
- Paris Agreement to combat climate change. Paris, United Nations 2015. Available at [https://unfccc.int/files/essential\\_background/convention/application/pdf/english\\_paris\\_agreement.pdf](https://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf)
- Potůček, M. Economic globalization and the role of the EU social policy as challenge (not only) for Central and Eastern Europe. 2018. *Social Work and Society* 16(2).
- Potůček, M. et al. *Public Policy*. 2017. Prague: Karolinum Press. Available in printed and electronic version at <https://www.cupress.cuni.cz> or <https://www.press.uchicago.edu>
- Potůček, M. *Public Policy: Bridge Over Troubled Water?* Alena Brunovska award lecture. 2005. In: Jenei, G. - Barabashev, A. - Berg, F. van den (ed.) *Institutional requirements and problem solving in the public administration of the enlarged European Union and its neighbours*. Bratislava: NISPAcee, pp. 487–492.
- Ringen, St. 2013. *Nation of Devils: Democratic Leadership and the Problem of Obedience*. Yale University Press.
- Ringen, St. 2016. *The Perfect Dictatorship*. Hong Kong University Press.

# The Rule of Law in CEE Public Administration through the Content Analysis of Selected Articles

*Polonca Kovač<sup>1</sup>*

## **Abstract**

The chapter explores the principle of the rule of law in the formal sense, as a procedural right to good administration. By means of content analysis, the author analyses the understanding of the rule of law in selected articles dealing therewith in the context of good governance (models). Particular attention is paid to the possible differences between (Western) authors of top cited articles and the authors of articles concerned with procedural reforms and institutions in Central and Eastern Europe published in the scientific journals CEPAR/IPAR and CCPA in Slovenia and Croatia. The analysis reveals some divergences in the region, particularly in terms of stronger dependency of procedures on law and the Weberian doctrinaire elements of understanding good administration, as well as in terms of the articles being focused on the national level. On the other hand, all articles analysed point to the importance of administrative procedure aspects for good administration. This suggests the need for further research in the sense of focusing on the administrative procedure as a tool to confront public and private interests. Central and Eastern Europe, in particular, presents the need for globalisation and a greater concern for a balanced and modern codification and thus adequate implementation of administrative procedure law.

## **Keywords:**

rule of law, good administration, administrative procedure, procedural rights, good/new public governance, content analysis, CEE, EU.

## **1. Introduction**

---

The rule of law (RoL) is a traditional legal and administrative principle aimed at limiting the power of the state, governmental institutions and officials in their re-

---

1 Faculty of Public Administration, University of Ljubljana, Ljubljana, Slovenia.

lations with citizens and other subjects and at ensuring that authoritative decisions are legally based and sound. In its core meaning, it constrains authorities and individuals not to misuse their superior position and to enable all citizens and businesses to act under equal terms (Galetta et al., 2015). The RoL is known in various legal and administrative traditions, from Aristotle’s recitals and British Middle Ages theory (Dicey) to the 19<sup>th</sup> century German *Rechtsstaat* or French *Etat de droit*, emphasising constitutional supremacy. However, over time, the principle evolved through different cultural and political-administrative systems. When dispute resolution is based on law, then the political, capital or physical power is properly balanced and the authorities are held accountable to proportionately consider various interests within the boundaries of substantive and procedural law. These dimensions are inter-dependably embedded into today’s notion of the RoL as described by the EU or the Council of Europe. The RoL can be defined more thoroughly in two directions. Yet, in both aspects, the RoL represents a set of complementary (sub)principles, such as property rights, transparency, participation, and judicial review of administrative acts. In sum, the RoL is a “supra” principle of good administration (GA) and sound public governance implemented in public administration (PA) and other authoritative systems (Kovač et al., 2016).<sup>2</sup>

Nevertheless, first and top-down, the RoL is one of/the first amongst good public governance principles, regardless of the legal, economic or any other disciplinary approach thereto. In Central and Eastern Europe (CEE) in particular, the RoL in administrative relations is also one of the salient elements of the on-going transitional development compared to the “old”, Western European or US democracies.<sup>3</sup> Therefore, it is an important part of public administration reforms (PAR) regarding contemporary governance models. The RoL – in any part or form as well as GA rights – is thus essential for the reforms and sustainable progress of supranational, national and sub-national administrations worldwide, and is even emphasised in the post-transitional framework. However, within the processes of privatisation, globalisation and marketisation, the RoL has been and still is challenged; even with PAR that could undermine the core principles of democratic governance (Hoff & Stiglitz, 2004, Meyer-Sahling, 2009, Ebbesson, 2011).

Secondly, and building the RoL content bottom-up, this principle is defined by its sub-elements, mainly through procedural rights also known as “good administration”. Regarding this aspect of the RoL elaboration, legal sources and theoretic literature distinguish between formal (e.g. publicity, generality, consistency and comprehensibility, equality, certainty) and substantive (protection of rights, equality and anti-corruption) approaches to the RoL, which are both indispensable in

2 More about the RoL as a part of good/new public governance and public administration reforms in Venice, 2011, p. 18, cf. Kovač et al., 2016, OECD, 2017, etc.

3 See more about comparisons between West and East (or post-communism) and about CEE peculiarities in Goetz, 2001, Hoff & Stiglitz, 2004, Meyer-Sahling, 2009, Vintar et al., 2013, Koprić et al., 2014, Kovač & Bileišis, 2017.

today's society. The chapter addresses the procedural issues that constitute the RoL in administrative affairs, in particular the guarantees of the right to be heard and other elements of GA within the meaning of Article 41 of the EU Charter of Fundamental Rights, also known as the rights of defence.<sup>4</sup> Third, considering the specifics of the administrative relation as a relation between authorities and individuals, the administrative procedure is defined as weighing between the public interest (more in Hofmann & Mihaescu, 2013), which is to be protected by the authorities, and private legal interests of the parties i.e. holders of the rights and obligations towards the authorities. It is in fact this type of procedure and its very own balances – e.g. by respecting the right to be heard and simultaneously precluding passive or vexatious parties, or by reasonable duration of procedure with due account of lawfulness above economy – to illustrate the entire relation between PA and social stakeholders (more in Statskontoret, 2004, pp. 32ff, Rose-Ackerman & Lindseth, 2010, p. 340, Hofmann et al., 2011, pp. 4ff, Kovač, 2016, 2018).

A common characteristic of almost all countries, CEE included, is that at least at a declaratory level, they integrate elements of GA in their legislation (Venice, 2011, pp. 12–17, OECD, 2017, pp. 11–12).

The purpose of this chapter is to examine selected scientific articles in an attempt to identify characteristics and trends of the understanding and development of the procedural dimension of the RoL or GA rights, with the emphasis on CEE. This region is quite diversified. Slovenia and Croatia serve as illustrative examples (see Kovač & Jukić, 2017) that are compared and complemented with top cited sources. In this context, the aim of the analysis is to study the selected dimensions of the basic research question: are GA rights in CEE understood as a key (procedural) part of the RoL principle and modern democratic PA? It is assumed that a positive answer, even as 'work in progress', is necessary for a comprehensive understanding of the RoL principle as an indispensable piece of the puzzle known as good public governance. The latter, in turn, combines (or is supposed to combine) aspirations for a democratic as well as effective authority or for the design and implementation of public policies at the level of a particular country or more broadly, and not only with the possibly accepted but not implemented normative ideals (Koprić et al.,

---

4 More on the role of procedural rights as a defence in relation to the authorities in administrative affairs and individual RoL elements see in Craig, 1997, Lynn, 2001, Lich et al., 2007, Bousta, 2013, Hofmann & Mihaescu, 2013, Rusch, 2014, Galetta et al., 2015, Kovač, 2016, 2018. Article 41 provides: (1.) *Every person has the right to have his or her affairs handled impartially, fairly and within a reasonable time by the institutions, bodies, offices and agencies of the Union* (2.) *This right includes: (a) the right of every person to be heard, before any individual measure which would affect him or her adversely is taken; (b) the right of every person to have access to his or her file, while respecting the legitimate interests of confidentiality and of professional and business secrecy; (c) the obligation of the administration to give reasons for its decisions.* (3.) *Every person has the right to have the Union make good any damage caused by its institutions or by its servants in the performance of their duties, in accordance with the general principles common to the laws of the Member States.* (4.) *Every person may write to the institutions of the Union in one of the languages of the Treaties and must have an answer in the same language.*

2014, pp. 152ff). In terms of public governance models, this means a transition from the “old”/Weberian PA to a new/good public governance.

With a cross-section of the RoL and GA concepts, the chapter first explains the methodological approach. The method mainly applied is the relatively established quantitative-qualitative method of content analysis (CA), which enables the objectification of subjective questions based on previously selected articles as units of the analysis. Similarly, as in several previous surveys, the scientific journals chosen to present the situation in Slovenia and Croatia are the leading/only national scientific journals on PA, namely the Central European Public Administration Review (CEPAR) with its predecessor International Public Administration Review (IPAR)<sup>5</sup> and the Croatian and Comparative Public Administration (CCPA). The comparison is based on a sample of top cited articles on the RoL in the context of good governance measured by the most often reported citations in the Google Scholar (GS) and Web of Science (WoS) databases. In addition, other key sources on this topic are used, whether from scientific literature or analyses of legal, strategic or judicial sources in the EU. The chapter on results features tabular presentations of CA results by selected research elements, as well as a discussion of the results and initial hypotheses. The chapter concludes that, in the light of the results of the analysis, the focus of PA reform and development should (also) be placed on procedural law issues, as administrative processes importantly contribute to new and sustainable public governance. At the same time, the research represents a starting point for further study, either in another time, in other countries, or on parallel good governance principles.

## 2. Methodology

Considering the abovementioned RoL/GA context, two hypotheses were formulated on the basis of underlying literature, namely:

- H1: *GA rights in PA are predominantly understood as a procedural part of the principle of the RoL and vice versa, and as an essential part of good governance.*
- H2: *The comparison between top cited scientific articles worldwide and similar sources in Slovenia and Croatia as CEE countries shows a similar understanding of the significance of procedure and main procedural rights in various European regions.*

Moreover, a combination of the above two hypotheses is important. If confirmed, they testify to the convergence of European administrative procedure law, which is indeed positive for the protection of the parties’ rights and for the democracy of PA. Despite differences in legal and administrative traditions in Europe,

5 IPAR, established in 2003, was revised and renamed in 2018 as *Central European Public Administration Review*, CEPAR, see: [www.cepar.si](http://www.cepar.si); <http://uprava.fu.uni-lj.si/index.php/CEPAR/>. For CCPA see <http://ccpa-journal.eu/index.php/ccpa/index>

convergence implies a uniform interpretation of procedural entitlements and leads to common minimum and ever higher standards.<sup>6</sup> On the other hand, if the second hypothesis cannot be confirmed, it is worthwhile working more systematically on the development of procedural standards in the light of better protection of rights. For reasons of transition, this is all the more true in less stable and established environments, such as the CEE countries. Regardless of the obtained result, the purpose of the research is to raise awareness of the importance of procedures and procedural elements in the development of PA and implementation of public policies (see for example Tyler, 2006, Kovač, 2018).

The research covers four groups of sources that serve to test the validity of the two hypotheses. These source groups and the relevant method of analysis can be considered at two levels (see Table 1), whereby the focus of CA is on the first two sources, while the remaining two are complementary. CA was chosen for this research because it is a relatively well-established method in social sciences and PA (See overview and Kovač & Jukić, 2017, Table 1, cf. Henderson & Terry, 2014).

**Table 1**  
Sources and methods of analysis of RoL/GA occurrence

	<b>Source 1</b>	<b>Source 2</b>	<b>Source 3</b>	<b>Source 4</b>
Type	<b>Scientific articles on GA in IPAR and CCPA</b>	<b>Top cited scientific articles on RoL and PA</b>	Grey literature on RoL and PA/GA	Scientific literature on PA/R and procedures/GA
Scope and sources	22 articles on GA selected from 55 IPAR and 129 CCPA scientific articles (see Kovač & Jukić, 2017)	Top articles with most citations in GS and WoS on RoL & public governance models within the Hermes project on governance models (Ropret et al., 2018)	Analyses in the EU on GA and procedural aspects of RoL (Statskontoret, 2004/5, Venice, 2011, Hofmann, Galetta et al., 2014/15)	See final list of references
Time range	<b>2011–2014</b>	2001–2009 publications and their delayed citation in <b>2004–2018</b> in other sources	<b>2004–2014</b>	Various
Method	<b>CA</b>	<b>CA</b>	Comparisons	Comparisons

6 On convergence in administrative relations (in the EU) see e.g. Statskontoret, 2005, Auby et al., 2014, pp. 5–26, Hofmann et al., 2014, pp. 2, 34ff, Koprić et al., 2014, Galetta et al., 2015, Kovač, 2016.

Methodologically speaking, it is necessary to clarify some of the characteristics of Sources 1 and 2 in more detail. Source 1 comprises 22 scientific articles that meet the selection criteria concerning topic and method. Drawing from the analysis by Kovač & Jukić (2017) and considering only scientific articles primarily or at least indirectly related to administrative procedure issues, the following selection was obtained:

- 33 articles over four years, of which 13 in the Slovenian and 20 in the Croatian PA journal;<sup>7</sup>
- excluded from the above were articles dealing with procedures, but not relating to classical administrative relations involving the rights or duties of the parties, such as HR or budgetary procedures; the final analysis thus concentrated on a total of 22 articles (11 IPAR and 11 CCPA) generally dedicated to administrative relations in the sense of GA rights in CEE;
- six out of 11 IPAR articles and nine out of 11 CCPA articles (15 out of the total 22) dealt with elements of administrative procedure as a primary topic, while the rest largely focused on topics such as transparency, human rights protection, PAR, yet still highlighted the procedural aspects although the latter were reported in the original analysis as second topics.

It is not surprising that among the above, there were no noticeable reference sources with impact beyond the region, with the exception of the article on EU requirements for full membership (Rusch, 2014). Nevertheless, CA was carried out, precisely to determine overlaps with or divergences from globally established sources.

Source 2 includes a selection of 10 top cited articles based on Google Scholar (GS), taking into account their relevance to the RoL as part of public good governance (one article was excluded due to inaccessibility). More specifically, these are the articles reported in the list of references of this chapter, whose impact is proved by the number of citations. These depend on several factors, from the type of journal to authors' academic excellence, topicality, search for topical balance between general principles and selected specific areas. Considering such criteria, the articles are rather variegated, but they all have a common focus on the RoL and PA. For the purpose of selection and better matching with Source 1, the time range was limited

---

7 Following the analysis of Kovač & Jukić, 2017, Table 3, there are 20 articles dealing with procedures as the first topic (seven in IPAR and 13 in CCPA) and a further 20 dealing with procedures as the second topic (eight in IPAR and 12 in CCPA); seven of them are professional articles, while the focus here is on the remaining 33 scientific articles. Altogether, about 10% of all articles examined relate to procedural issues, and they are mainly published in two special editions: IPAR, No. 2–3 of 2014, with as many as nine out of 11 articles on GA in IPAR in the selected period (it appears from the preface to this edition that it includes contributions from EGPA, PSG Law & PA), and CCPA, No. 4/2014, containing contributions on a bilateral project for the protection of human rights in administrative relations and featuring six out of a total of 11 articles on procedures and GA in this journal, published exclusively in the national language.

to articles published after 2000. These are listed by the number of citations in June 2018 (in brackets is the number of GS and WoS citations):

1. Olsen, 2005 (688, 132);
2. Licht et al., 2007 (549, 171);
3. Bevir et al., 2003 (547, 148);
4. Jørgensen & Bozeman, 2007 (540, 140);
5. Hoff & Stiglitz, 2004 (341, 85);
6. Goetz, 2001 (340, 90);
7. Lynn, 2001 (317, 73);
8. Ebbesson, 2010 (97, 46);
9. Meyer-Sahling, 2009 (88, 24).

The articles vary slightly in terms of content, as articles 1–4 and 7 deal with general RoL and PA issues, while the authors under 5, 6 and 9 focus on CEE and the author under 8 on the RoL in the context of socio-ecological changes.

The original contribution of this research is the CA for Sources 1 and 2, although or precisely because Source 1 mainly comprises regional sources focusing on national practices, while Source 2 comprises globally and academically highly valued work. Altogether, they serve as the basis for verifying the hypotheses. The CA elements for Sources 1 and 2 intended to check the matching or the differences between the two groups were as follows. First, the disciplinary context, which is important because a successful PA requires interdisciplinary consideration (cf. Raadschelders, 2011, pp. 30ff), rather than being considered only from the point of view of individual original PA disciplines – in our case, law, which often features as a special context for procedural GA rights or formal part of the RoL principle (see Kovač et al., 2016, Kovač & Bileišis, 2017). The second criterion – topical orientation – serves to determine whether the article highlights administrative procedure as a central topic or rather in the framework of other topics, such as PAR.<sup>8</sup> Third is the category of doctrinal reference, where an attempt is made to determine into which public management model the article primarily fits (cf. Ropret et al., 2018), which gives us a starting point for understanding the principle of the RoL and PA in the developmental sense. Fourth, in order to verify the second hypothesis on the

---

8 For the sake of objectification and comparability, I follow the typology of Kovač & Jukić, 2017, with 14 categories of topics: human rights, regulation of PA, transparency and participation, PA organisation, regionalism and local self-government, HRM and civil service, public finances, e-government, TQM, privatisation, *processes and administrative procedures/acts within GA* (this category, no. 11, is evidently of key importance in the respective analysis!), individual policies, PAR, PA discipline. Moreover, all articles covered by the 2017 research are categorised in terms of primary and secondary major topic, so we can explore here the relations of various topics to procedural elements of the RoL.

alleged coherence of development in CEE with respect to the Western world, the geographical scope is highly relevant. Finally, the role of the RoL v. PAR and the related GA concepts/principles within public management are studied, which adds an in-depth insight to the above, both in terms of a top-down and of a bottom-up approach to the RoL principle.

The above model presents some shortcomings, which I try to overcome by objectifying the research through CA and using different types of complementary literature. Below are some of the limitations that can be resolved with further research. A substantive limitation is, in particular, the supposed (relative) cross-section between the concepts of the RoL (in the procedural sense) and GA, which is why this part is set as part of the hypotheses being verified. More attention is paid thereto in further discussion, which relies on several pieces of related literature, in particular summaries of various strategies, good practices on administrative procedures and EU case law (a particularly relevant source is Galetta et al., 2015). Furthermore, it is worth mentioning the reference to already existing research (in particular, Kovač & Jukić, 2017), which is indeed a valid basis since there is no repetition thereof in the analysis in this chapter. The said analysis is, in fact, upgraded by examining the elements of the RoL in more detail and by comparing the results with other groups of sources. Such an approach enables, *inter alia*, further similar research. Another limitation is the number of articles (22 for Source 1, and nine for Source 2). CAs typically include some ten or hundred different papers, but I think that given the above and the following explanation of the selection, the sample is sufficiently representative and the results legitimate. In this respect, the quality of selection weighs out the quantity, especially since all the articles discussed are structured as essays and qualitative research methods prevail.

Last but not least, it is worth stressing the time component, since the original source dates back to 2011–2014. This is indeed several years ago, but this period seems more appropriate for a comparative analysis of Source 2 (more in Ropret et al., 2018) and Source 3, because the latter also refer to a time of five to fifteen years ago. This is exactly what makes them comparable. Comparability and legitimacy of the results are further enhanced by the territorial focus on Europe, both in geographic terms and in terms of regional administrative/legal systems in the EU. For the sake of globalisation, some sources originating in the US were also explored (e.g. Lynn, 2001, Bevir et al., 2003, Tyler, 2006, Raadschelders, 2011, Metzger, 2015).

### **3. Results and Discussions on the RoL and GA in Selected Scientific Articles**

---

In the framework of hypothesis 1, an analysis of literature, particularly Sources 1 and 2, was first carried out in relation to GA and the RoL principle, both in terms of the RoL principle being one of the guidelines of good governance, and in terms

of the RoL elements or GA. Sources 3 and 4 were also relevant for this part of the research, leading to the following findings. Good administration is a combination of entitlements of a democratic relation towards the parties and of effective governance for a legally foreseeable and responsible way of exercising authority and delivering public services (OECD 2017, Hofmann et al., 2014, p.3, Rusch, 2014, p.190, Venice, 2011, p.10).<sup>9</sup>

All GA and GG principles work together, one with another as a comprehensive whole, but the importance of the RoL as a starting point is obvious. In terms of development, this means a shift from authoritative and centralised action to service-minded, decentralised and participatory action of the state. The latter should provide for protection of the general social benefit, but it is not the exclusive primary authority. The goal of the state should be to promote consensual solutions proportionate to the public interest, as demonstrated by good practices (see Tyler, 2006, Hofmann et al., 2014, pp.2, 5ff). GA is a set of several traditional (e.g. prohibition of discrimination, access to the file, right to appeal) and modern elements (e.g. responsiveness or openness), mainly reflected in administrative relations in the legal, political and macroeconomic context. The essence of GA is that in the context of good governance, at an emphasised legal level, it aims at otherwise effective implementation of public policies and the public interest, but not at the expense of classical human rights. Therefore, GA rights, as a whole, constitute an essential element of the RoL principle, more so, they are parts of different GG principles, as seen in Table 2 (taken from the EU Charter, 2010, Galetta et al., 2015, Kovač et al., 2016, OECD, 2017). This confirms hypothesis 1.

Further on, as well as to verify hypothesis 2 on (non)compliance of the RoL and GA in CEE and elsewhere, let us look at the results of the comparisons of the main CA elements for Sources 1 and 2. For each of the five CA elements, the summary results are cited, followed by the possible differences, if they apply to CEE. Regarding the disciplinary context of the RoL/GA, all articles from Source 1 demonstrate that it is exclusively legal, although we also take into account the possibility of two disciplines per article.<sup>10</sup> A different picture is shown by Source 2, where PA, despite the focus on the RoL, is mainly considered in terms of political sciences, although it also features elements of law, economics, psychology, and management.

---

9 Legal theory mainly describes good administration as a set of individual or a single “enforceable right/s to good administration” (see Bousta, 2013, Hoffman & Mihaescu, 2013). From the viewpoint of the rights of defence as a basis of good administration, their concept is older as it originates from the theory of a state governed by rule of law/*Rechtsstaat* as a classical subject of international and national law (cf. Rose-Ackerman & Lindseth, 2010, p. 117), which however fully fits into contemporary public governance.

10 The same approach is taken by Jukić & Kovač, 2017. Some articles are highly monodisciplinary, others are bi-disciplinary (e.g. law and management), and other still are (at least partially) interdisciplinary (see Raadschelders, 2011, Mathis, 2014). Therefore, the sum of the suggested occurrences of individual disciplines does not correspond to the total number of analysed articles, since some articles are a source for two or more, others for only one discipline.

**Table 2**  
Procedural rights within the principles of good governance

<b>GA rights/procedural elements of the RoL</b>	<b>Principles of good/new (public) governance</b>
Lawful and proportionate protection of the public interest	Rule of law, participation, efficiency and effectiveness, consensus orientation, accountability
Impartiality and equality	Rule of law, accountability
Decisions within a reasonable time	Responsiveness, efficiency and effectiveness
Rights of defence: right to be heard, right to information, use of language, reasoning of decision	Rule of law, transparency, participation, responsiveness, inclusion, consensus orientation
Legal protection, compensation for damage	Rule of law, responsiveness, accountability
<b>GA rights/procedural elements of the RoL</b>	<b>Principles of good/new (public) governance</b>
Together = restriction of administration within the system of authority and in relation to the parties, service-mindedness	Together = participatory conciliation of social interests in public governance at strategic level

**Table 3**  
Results of CA comparisons for Sources 1 and 2 by GA/RoL as regards the disciplinary context

<b>Dominant PA discipline/s</b> (law, economics, management, political science/sociology, informatics)	<b>Source 1: IPAR &amp; CCPA</b>	<b>Source 2: top cited articles</b>
Law (only)	55%	11%
Law & individual fields <sup>11</sup> with some interdisciplinarity	27%	/
Law & Political science	18%	/
Law & Informatics	5%	/
Economics	5%	11%
Political science	/	11%
PA generally & multi-interdisciplinary	/	67%*

\* These articles are multidisciplinary, but nevertheless strongly focus on *political science* (four out of six articles).

The difference between Sources 1 and 2 can be interpreted in various ways, beginning with a generally higher indexation of political journals and contributions compared to the legal ones. Therefore, among the top cited ones, more former than

<sup>11</sup> Specifically, these articles address environment as the most exposed sector but also other globally outstanding fields, e.g. consumer protection, asylum and tele/e-communication.

latter are expected. In such regard, administrative/legal traditions<sup>12</sup> require the respect of clusters, which include PA as a science.

In my opinion, this means that the difference is more virtual than actual. This is also shown by the results of other analyses (see Kovač & Jukić, 2017, Table 4), where out of 223 articles studied there are around 28 % legal and around 26 % political science articles, as well as 34 % managerial or economic articles because of the transition from Weber to NPM and then to good governance. Regardless of these variations, one needs to be aware that, as deriving from complementary Sources 3 and 4 in general for Western theory and practice as well as for CEE, any administrative issue requires a holistic and interdisciplinary approach, if PA is to develop systemically (see Raadschelders, 2011, pp. 12–41, Bevir et al., 2011, pp. 374ff). Nevertheless, in particular, at the national level, PA is categorised only by the original disciplines, fitting under either political science or management and business.<sup>13</sup>

However, legal aspects are merely one dimension of the modern administration, which should not exclude economic, managerial, political and other considerations. The “legalistic culture”, often characteristic of the CEE region, pursues only the formal elements of the RoL. This needs to be surpassed, since an over-detailed law hinders the resolution of complex administrative issues (such as migration, digitalisation, ecological changes; Ebbesson, 2010, Rose-Ackerman & Lindseth, 2010, Kovač & Bileišis, 2017).

And vice-versa: considering PA, the RoL and administrative processes mainly from the point of view of economics or political science means disregarding the key public values as achievements of contemporary law and the importance of legal

---

12 See Statskontoret, 2005, particularly as regards Weber oriented v. English speaking regions in Licht et al., 2007, cf. Raadschelders, 2011, Auby et al., 2014, etc. As regards administrative traditions or cultures, several categorisations are available. The main distinction is between German, Francophone, Scandinavian, Anglo-Saxon and post-Socialist frameworks. PA reforms must take into account individual regional or national traditions as well as common European/global objectives or minimum standards (Galetta et al., 2015) or other recommendations (Hofmann et al., 2014, Kovač, 2016). According to Licht et al., 2007, one needs to be aware of the prevailing cultural value orientations in a society, “*therefore in the long run widespread modes of wielding power/governance should be conceptually consistent with the prevailing cultural orientation in a society*”. Similarly in Bevir et al., 2003, that despite common global pressures (e.g. fiscal crises, digitisation, lack of trust), “*governmental tradition shape reforms*” and “*beliefs and traditions matter in the social context*”.

13 More in relation to Slovenia and Croatia in Kovač & Jukić, 2017, Koprić et al., 2014. For instance, in Slovenia PA is classified by the national research agency under Administrative and Organisational Sciences, parallel to Law or Political Sciences, while it is considered under law or political science by CERIF and FOS 2007/OECD, and then under Business and Administration by ISCED and under Social Sciences by Frascati. However, any partial categorisation is counterproductive.

certainty and hence the necessary legal determination of administrative relations.<sup>14</sup> The RoL as a fundamental legal prerogative is therefore inevitably related to other administrative and broader societal principles, such as liberal democracy, proportionality, legal certainty, transparency, participation, accountability, efficiency and red tape reduction, and innovation.

**Table 4**

Results of CA comparisons for Sources 1 and 2 by GA/RoL as regards topical orientation

<b>The two dominant topics</b>	<b>Source 1: IPAR &amp; CCPA</b>	<b>Source 2: top cited articles</b>
Procedures as a primary topic but <b>within PAR</b> or individual policies, or related to privatisation, quality management, human rights, etc.	50 %	100 %
Procedures as a primary and only topic	23 %	/
Procedures within transparency and participation	14 %	/
Procedures as a tool for human rights protection	14 %	/
Procedures' simplifications, as a part of better regulation and e-government, e.g. red tape reduction	14 %	/

Table 4 shows a noticeably larger match between Sources 1 and 2 than the one deriving from the previously analysed disciplinary context. This confirms the above expressed reservations, namely that it is more about interpretation than about difference in content. For example, the articles from Source 2 also deal with democracy, human rights protection, participation and openness, but these topics are particularly dominant, in the context of reforming PA as a whole or as a system. This is indeed relevant for CEE as several top cited articles relate to this region, highlighting the transition processes (see Meyer-Sahling, 2009, or Hoff & Stiglitz, 2004). Furthermore, some articles from Source 1, specifically those on the simplification of procedures in terms of better regulation and red tape reduction, show a divergence from the previously formal Weberian approaches, which is consistent with global trends. We can thus confirm that administrative procedure, just like the PAR, can be considered a tool of democracy (similarly to HR protection or transparency and participation) and greater administrative efficiency (see Bevir et al., 2011, Kovač et al., 2016).

14 As regards misinterpretations of law amongst administrative players, see also Metzger, 2015. On PA as the holder of “law application” see Olsen, 2005. In such regard, it is important to distinguish when PA acts as public service and focuses on efficiency, and when PA acts as an authority. Ibid.: “Administrators are rule-driven bureaucrats and also managers calculating expected utility.” And: “Rules do not necessarily imply rigidity and inflexibility...”

**Table 5**

Results of CA comparisons for Sources 1 and 2 by GA/RoL as regards doctrinal reference

<b>The prevailing public governance model for GA/RoL</b>	<b>Source 1: IPAR &amp; CCPA</b>	<b>Source 2: top cited articles</b>
Old/Weberian PA	/	/
(post) New Public Management	9 %	11 %
New Weberian State	54 %	11 %
New Public/Good Governance	37 %	78 %

Here, the analysis upgrades the disciplinary and topical orientation and classifies the articles into the basic models of public governance: (i) the old/Weberian PA, with an absolute postulate of public interest and formal procedures, hierarchy, delineated accountability; (ii) the New Public Management (NPM), introducing private approaches into the public sector, e.g. service-mindedness and efficient resource management; (iii) the New Weberian State (NWS), upgrading the old PA with the NPM yet still prioritising Weberian elements; and (iv) new/good public governance (NPG/NWS), surpassing the weaknesses of previous regimes and integrating their strengths into a common theory of interrelated principles of lawfulness, efficiency, responsiveness, etc.<sup>15</sup> Here, it is important to understand that GA rights or the procedural part of the RoL – as a predominantly legally-determined concept – can only be systemically interpreted as a part of or as overlapping with good governance in a political-macroeconomic sense (Mathis, 2014).<sup>16</sup> The authors of the articles in Source 2 start off differently, but eventually – in the discussion – integrate all previously dominant models almost entirely into the NPG. In such context, NWS is often seen as a transition from NPM & GG (or “markets & networks”, e.g. Olsen, 2005), or shifts with NPM to NPG/GG (Bevir et al., 2003), or integrates NPM and NPG into a whole (Jørgensen & Bozeman, 2007). Other authors argue that the CEE countries have not transposed the NPM principles sufficiently into modern models of governance (Goetz, 2001), or point to the differences between ‘bureaucratic’ PA and managerial governance (similar in Lynn, 2001).

Table 5 further reveals a similar situation in CEE according to Source 1. The region, however, presents some developmental gaps; therefore, in the period under consideration there is more transition to NPM and NWS than integration of all models. The differences can be partly explained by a substantively justified re-

15 See Venice, 2011, Bevir et al., 2011, Koprić et al., 2014, Kovač et al., 2016, Kovač & Bilešiš, 2017, Ropret et al., 2018.

16 According to Bevir et al. (2011, pp. 4ff) good governance is a range of sociological, political, legal, organisational, (macro)economic theories and practices and related systemic administrative and managerial dilemmas. For strengths and weaknesses of these models with a focus on, as in the case of NPM, the economic aspect, see Mathis, 2014, pp. 151–160.

luctance towards NPM, resulting from the formal determination of administrative relations that is characteristic of this region (Koprić et al., 2014, Kovač & Bileišis, 2017). Despite the esteem of the authors of articles in Source 2, authors in Source 1 certainly know their region better, particularly if, for example, predominantly legal topics are dealt with by lawyers. At the same time, however, these authors are probably less familiar with global trends and overall dimensions of the PAR.

**Table 6**

Results of CA comparisons for Sources 1 and 2 by GA/RoL as regards geographical scope

<b>Geographical scope</b>	<b>Source 1: IPAR &amp; CCPA</b>	<b>Source 2: top cited articles</b>
Limited to one country	95%	11%
Comparative research, two or more countries	5%	In connection to EU/globe but listed there as a prevailing dimension.
EU or Europe/West or even globally	Only minor parts	56%
Regional focus on CEE	Only minor parts	33%

Table 6 presents the largest difference between Sources 1 and 2, since the first group of articles is limited to a single country and to the national level (this is more evident for the Croatian than for the Slovenian journal, see Kovač & Jukić, 2017, Table 5, which also applies to other topics). On the other hand, the top cited articles all cover at least regional aspects, as a rule in addition to global aspects and comparisons between world regions in terms of geography, culture, etc. Here, too, the differences can partly be explained by the fact that higher indexed journals are more likely to publish comparative than mono-national articles. This is even more true since both journals in Source 1 – IPAR and CCPA – declare to be internationally oriented (although in reality this is not so, given the scope and language of the articles and the authors’ affiliation). This, however, does not suffice, considering the current state of multi-level governance in today’s society, particularly in the context of the EU and the related convergences and despite the autonomy of national procedural law.<sup>17</sup> For this reason, let us take a closer look at the division of RoL sub-elements and its relatedness to other PSG/GG principles, as shown in Table 7.

<sup>17</sup> See more in Galetta et al., 2015, pp. 10ff, and Kovač, 2016. In the EU, Member States in principle have national autonomy, as the EU treaties do not provide the basis for supremacy (primacy, direct applicability and effectiveness) of EU law or EU competences vis-à-vis national law (the subsidiarity principle) in such regard. However, the determination of procedural elements, such as deadlines or remedies, is limited by the general principles of EU law, in particular by the EU Charter of Human Rights (2010) and the CJEU case law, while respecting the principles of equivalence and effectiveness.

**Table 7**  
Results of CA for Sources 1 and 2 by GA/RoL as regards GA/RoL content  
(*differences, similarities*)

<b>Topical RoL highlights</b>	<b>Source 1: IPAR &amp; CCPA</b>	<b>Source 2: top cited article</b>
<i>Role of the RoL principle</i>	<ul style="list-style-type: none"> <li>• <b>against arbitrariness and misuse of power; judicial control over PA</b> (Ljubanović &amp; Britvić, Lalić, Stanić, Trudić, etc.)</li> <li>• transparent &amp; predictable rules for <b>legal certainty</b>;</li> <li>• PAR, <b>modernisation &amp; Europeanisation</b> (Rusch, Đulabić, Kovač, Koprić, Avbelj, Crnković etc.);</li> <li>• <i>stakeholders engagement</i> (Brink &amp; Marseille, Tolsma, Neamtu et al., etc.);</li> </ul>	<ul style="list-style-type: none"> <li>• <b>to limit authority and power; bureaucracy has a role of the institutional custodian of democratic-constitutive principles</b>, enable personal freedom from state (Olsen, Jørgensen &amp; Bozeman, Lynn, Bevir et al.);</li> <li>• to guarantee <i>social order and economic development</i> (Licht et al., Hoff &amp; Stiglitz, Meyer-Sahling);</li> <li>• to ensure <b>legal certainty</b> (Ebbesson);</li> <li>• a part and tool to <b>modernize</b> (communist) countries (Goetz, Meyer-Sahling);</li> </ul>
<i>Emphasis on other GG/NPG principles or (administrative) concepts (top-down)</i>	<ul style="list-style-type: none"> <li>• human rights protection;</li> <li>• <b>participation</b>;</li> <li>• <b>openness and transparency</b>;</li> <li>• <b>judicial review</b> over PA (acts) and accountability;</li> <li>• multi-level governance, EU integration;</li> <li>• <i>red tape (administrative burden) reduction</i>;</li> <li>• <i>digitalisation</i>;</li> <li>• proportionality;</li> </ul>	<ul style="list-style-type: none"> <li>• <i>procedural rationality and justice</i>;</li> <li>• legitimate expectations;</li> <li>• <i>professionalism, a-politicisation</i>;</li> <li>• <b>responsiveness, user-orientation, civil society inclusion</b>;</li> <li>• <b>transparency</b>;</li> <li>• <i>accountability</i>;</li> <li>• <i>PA ethics</i> (reason-giving in this context);</li> <li>• efficiency; managerialism;</li> <li>• property rights; privatisation;</li> <li>• anticorruption;</li> <li>• globalisation, integration, sovereignty; <i>acquis</i>;</li> </ul>
<i>Emphasis on individual procedural aspects of RoL/GA (bottom-up)</i>	<ul style="list-style-type: none"> <li>• <b>equality</b>;</li> <li>• <b>the right to be heard</b>;</li> <li>• <b>access to information</b>;</li> <li>• <b>legal protection/remedies</b>;</li> <li>• <b>timeliness</b>;</li> <li>• <b>alternative dispute resolution</b>;</li> <li>• <b>enforcement (of public interest)</b>.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>impartiality and equality, equity</b>;</li> <li>• <b>the right to be heard</b>;</li> <li>• <b>access to information</b>;</li> <li>• <b>timeliness</b>;</li> <li>• <b>reason-giving</b>;</li> <li>• <b>liability; judicial review</b>;</li> <li>• <b>enforcement</b>.</li> </ul>

Table 7 clearly shows the all-encompassing nature of the RoL or its relatedness to the basic PA concepts in any disciplinary context. However, Source 1 focuses on

NPM- or NWS-related PA modernisation, while Source 2 specifically highlights the RoL as a link between legal and moral or between law, culture and management. This points to the already mentioned trend in CEE to follow Western concepts, but this is still ‘work in progress’. Moreover, globally established authors are more concerned with the RoL as a public value of PA/R and with its societal role, while CEE authors focus more (albeit not exclusively) on individual procedural institutions on the level of instrumental public governance.

Nevertheless, it can be established for both sources that the RoL has always been and remains a key and complex principle and an inevitable part of constitutional democracy. In addition, both sources suggest the need for proportionality of regulation by balancing the goal and the form and, above all, for an agreement as to which GA rights are crucial. According to Sources 1 and 2, these entitlements are eventually the same (see the last line in the Table above).

The analysis in Table 7 confirms hypothesis 2 and the importance of procedural dimensions in PAR and development of PA as democratic and effective entities, in substantive relation to procedural legitimacy as an inevitable part of good governance (as emphasised above). As seen on the EU level, e.g. in the draft Regulation on open, independent and efficient administration of 2016 (cf. Hofmann et al., 2014), and on the US or UK levels, procedural rights are put forward to enhance the people’s sense of the rule of law (Rusch, 2014, p. 225, Tyler, 2006, pp. 5ff).<sup>18</sup> Namely, people are likely to accept the decisions of administrative authorities insofar as they trust the basic procedural guarantees (such as the right to be heard, cf. Table 2), the functioning of the authorities, and the RoL as a whole. Particularly in terms of GA/GG, emphasis is placed on the conciliation of interests among partners and on a proactive search for satisfaction of all stakeholders in administrative relations.

Furthermore, the RoL as a principle, must not be taken as an antipode to efficiency, as is unfortunately often observed in CEE countries in particular (see more in Ropret et al., 2018, cf. Metzger, 2015, p. 1519). This is also in line with the dominance of NPM-led reforms, focusing on managerial efficiency. The quality of the regulatory process may thus be considered as a safeguard of the RoL and a way to prevent state capture and corruption (cf. Hoff & Stiglitz, 2004, Meyer-Sahling, 2009). Transparent procedures can contribute significantly in this sense, preventing the excessive, arbitrary or unequal use of authority for the parties. Law must there-

---

18 According to Tyler (2006, p. 116ff.), the reason why the ‘procedural focus’ or procedural fairness is so important lies in the fact that procedure enables people to determine the facts and present evidence, thus indirectly supervising and managing the outcome of the procedure. This replaces the inability to influence the result or decision, since in public law procedures it is for the authorities to decide. On the other hand, the sensitivity to procedural injustice is very high since a fair procedure actually (not just theoretically) guarantees a lawful decision. The key procedural guarantees in such regard include the right to be heard and receive a reasoned individualised decision (ibid., pp. 148ff).

fore set minimum basic standards, while political and managerial measures should comply with legal principles and vice versa.

The transition countries of CEE also present an inconsistency of principles and practice, with several studies showing a difference between what is declared and what actually applies (e.g. Vintar et al., 2013, Kovač & Jukić, 2017). For example, transparency and accountability are highly valued, but in practice, most attention is devoted to “hard”, unambiguously interpreted (procedural) rules. The administrative procedure is hence to serve several functions, from guaranteeing an individual’s rights, participation and conciliation of interests to transparency, system participation and administrative efficiency, which makes it multi-functional. This seems to derive from a lack of awareness of procedural issues among public policy-makers, which in turn leads to judicial and other disputes or to non-implementation of public policies.<sup>19</sup> It is also worth mentioning that articles in Source 1 largely relate to only two special editions of IPAR and CCPA, which suggests that procedures are at the focus only partially and in specific contexts, rather than being regarded as part of the PAR. Administrative legacy is indeed important (see above), but it should not prevent improvement. This is also shown by the differences among e.g. post-communist countries, with some being more bureaucratic-authoritarian, others national-accommodative, and others still pursuing ‘patrimonial communism’ (more in Meyer-Sahling, 2009). It is therefore important to find the decisive factors that will lead to minimum convergence standards also in administrative processes, such as professional public service, networking, and proportional power.

In this regard, it is surprising that the understanding and implementation of, in particular, GA in actual administrative practice is not (yet) as well explored as, for example, governance in general or NPM theory and practice. The present research can therefore serve as the basis for possible upgrading, especially in the CEE region, since the second hypothesis is only partially studied. On the other hand, there is a lack of procedural-legal dimensions – in the sense of being a necessary part of PAR and good governance – also in the group of top cited articles. To sum up, it seems that both hypotheses should rather be rejected than confirmed, but further explored. In doing so, PA must respect the essential procedural principles and rules to ensure the predictability of relations, the stability of economic operators and operations, and the overall social development. Finally, contemporary society requires a more holistic approach in order to run administrative affairs more efficiently yet still democratically. Therefore, harmonised procedural codification should be developed to encompass different individual and general (rule-making) procedures under the same fundamental principles and rights (more in Kovač, 2018, e.g. right to be heard in the cross-section of the principles of the RoL and participation).

---

19 More on disputes in Tyler, 2006, Vintar et al., 2013, Galetta et al., 2015, Kovač & Bileišis, 2017, on proactivity and holism see OECD, 2107, Kovač et al., 2016, Barnes in Rose-Ackerman & Lindseth, 2010.

## 4. Conclusions

---

The principle of the rule of law is crucial in public administration, both from the point of view of (i) its limitation in relation to parliament and other players in the sense of restricting power, and currently even more from the point of view of (ii) understanding public administration as a democratic entity in the service of the people. In this regard, it is important to confirm hypothesis 1 about considering GA rights as a part of the RoL principle and hence an inevitable part of modern public governance. Hypothesis 2 about the coherence of RoL understanding in CEE and globally cannot be fully confirmed, as there are important differences between the definition of the role of the RoL and GA in top cited articles and CEE sources. This mostly applies to the doctrinal and disciplinary levels and the geographical scope, since in CEE the RoL principle is considered above all as legal and Weberian, and research is, as a rule, limited to one country rather than comparing similarities and differences, global standards and trends. The following is thus worth pointing out: procedure allows a democratic and effective PA, which means that the elements of administrative procedure should not be overlooked by administrative theories and reforms.

As mentioned in the introduction, the present research is limited in terms of the methodology used and leaves room for upgrading. Despite the limitations, however, it shows certain legitimate results, taking into account the relatively objectivised approach of CA and top cited articles. In addition, the methodology applied is an expression of the complementary trends in theory and practice, which gives us an insight into the development of the rule of law over time and space and guidance for the future. The analysis confirms that GA rights are an essential part of the RoL principle and that the latter is an indispensable element of good governance, which, through individual rights, intertwines with other principles (e.g. openness, participation, accountability, efficiency). The confirmation of the hypothesis that also, in CEE GA rights must be considered a key (procedural) part of the RoL principle and of a modern democratic PA, thus contributes to development in Europe, demonstrating the importance of a systematic approach to reforms towards good administration and sound (new) public governance.

## Acknowledgement

---

I gratefully acknowledge the financial support of the Slovenian Research Agency for the research programme on Slovenian PA development in Europe and the basic research project Hermes on related governance models (references codes P5-0093, J5-8238).

## References

---

- Auby, Jean-Bernard (ed.). 2014. *Codification of Administrative Procedure*. Brussels: Bruylant.
- Bevir, Mark (ed.). 2011. *The SAGE Handbook of Governance*. London: Sage.
- Bevir, Mark, Rhodes, R. A. W., and Patrick Weller. 2003. Traditions of governance: interpreting the changing role of the public sector. *Public Administration*, 81(1): 1–17.
- Bousta, Rhita. 2013. Who said there is a Right to Good Administration? A Critical Analysis of Article 41 of the Charter of Fundamental Rights of the European Union. *European Public Law*, 19(3): 481–488.
- Craig, Paul. 1997. Formal and Substantive Conceptions of the Rule of Law: An Analytical Framework. *Public Law*, 467–487.
- Ebbesson, Jonas. 2010. The rule of law in governance of complex socio-ecological changes. *Global Environment Change*, 20: 414–422.
- Galetta, Diana-Urania, Hofmann, Herwig C. H., Mir Puigpelat, Orió, and Jacques Ziller. 2015. *The General Principles of EU Administrative Law*. Brussels: European Parliament.
- Goetz, Klaus H. 2001. Making sense of post-communist central administration: modernisation, Europeanisation or Latinisation? *Journal of European Public Policy*, 8(6): 1032–1051.
- Henderson, Alexander C., Terry II, Larry D. 2014. Unpacking the Global Perspective: Examining NISPACE Region-Focused Public Administration Research in American Scholarly Journals. *International Journal of Public Administration*, 37(6): 353–362.
- Hoff, Karla, and Joseph E. Stiglitz. 2004. After the big bang? Obstacles to the emergence of the rule of law in post-communist societies. *The American Economic Review*, 94(3): 753–763.
- Hofmann, Herwig C. H., and Bucura C. Mihaescu. 2013. The Relation between the Charter's Fundamental Rights and the Unwritten General Principles of EU Law: Good Administration as the Test Case. *European Constitutional Law Review*, 9(1): 73–101.
- Hofmann, Herwig C. H., Schneider, Jens-Peter, and Jacques Ziller (eds). 2014. *The ReNEUAL Model Rules*.  
ReNEUAL, [www.reneual.eu](http://www.reneual.eu).
- Jørgensen, Torben Beck, and Barry Bozeman. 2007. Public values: An inventory. *Administration & Society*, 39(3): 354–381.

- Koprić, Ivan, Marčetić, Gordana, Musa, Anamarija, Đulabić, Vedran, and Goranka Lalić Novak. 2014. *Upravna znanost – Javna uprava u suvremenom europskom kontekstu [Administrative Science: Public Administration in the Contemporary European Context]*. Zagreb: Institute of Public Administration.
- Kovač, Polonca. 2018. Potentials of administrative procedures as a participatory tool within governance models in Central and Eastern Europe. *Danube*, 9(4): 227–244.
- Kovač, Polonca. 2016. The requirements and limits of the codification of administrative procedures in Slovenia according to European trends. *Review of central and east European law*, 41(3/4): 427–461.
- Kovač, Polonca, and Mantas Bileišis (eds). 2017. *Public Administration Reforms in the Eastern EU MS: Post-Accession Convergences and Divergences*. Vilnius, Ljubljana: Mykolas Romeris University, University of Ljubljana/Faculty of Administration.
- Kovač, Polonca, and Tina Jukić. 2017. Declarations and reality of Europeanised public administration in Eastern Europe: journals content analysis in Slovenia and Croatia. *Transylvanian review of administrative sciences*, 50 E: 127–145.
- Kovač, Polonca, Tomaževič, Nina, Leben, Anamarija, and Aleksander Aristovnik. 2016. Reforming public administration in Slovenia: between theory and practice of good governance and good administration. *International Journal of Public Policy*, 12 (3/4/5/6): 130–148.
- Licht, Amir N., Goldschmidt, Chanan, and Shalom H. Schwartz. 2007. Culture rules: The foundations of the rule of law and other norms of governance. *Journal of comparative economics*, 35: 659–688.
- Lynn Jr., Laurence E. 2001. The myth of the bureaucratic paradigm: What traditional public administration really stood for. *Public Administration Review*, 61(2): 144–160.
- Mathis, Klaus. 2014. Cultures of Administrative Law in Europe: From Weberian Bureaucracy to "Law and Economics", in Helleringer, Genevive, and Kai P. Purnhagen (eds), *Towards a European Legal Culture*. Baden-Baden: Nomos, München: Beck, Oxford: Hart, 139–162.
- Metzger, Gillian E. 2015. Administrative Law, Public Administration, and the Administrative Conference of the United States. *The George Washington Law Review*, 83(4/5): 1517–1539.
- Meyer-Sahling, Jan-Hinrik. 2009. Varieties of legacies: a critical review of legacy explanations of public administration reform in East Central Europe. *International Review of Administrative Sciences*, 75(3): 509–528.

- OECD/SIGMA. 2017. *Principles of Public Administration*. Paris: OECD.
- Olsen, Johan P. 2005. Maybe It Is Time to Rediscover Bureaucracy. *Journal of Public Administration Research and Theory*, 16(1): 1–24.
- Raadschelders, Jos C. N. 2011. *Public Administration: The Interdisciplinary Study of Government*. Oxford: OUP.
- Ropret, Marko, Aristovnik, Aleksander, and Polonca Kovač. 2018/19. A Content analysis of the rule of law within public governance model: old vs. new EU member states. *The NISPAcee journal of public administration and policy*, 11(2): 129–152.
- Rose-Ackerman, Susan, and Peter L. Lindseth (eds). 2010. *Comparative Administrative Law*. Cheltenham, Northampton: Elgar.
- Rusch, Wolfgang. 2014. Citizens First: Modernisation of the System of Administrative Procedures in South-Eastern Europe. *Croatian and Comparative Public Administration*, 14 (1): 189–228.
- Statskontoret. 2005. *Principles of Good Administration in the MS of the EU*. Stockholm: Statskontoret.
- Tyler, Tom R. 2006. *Why People Obey the Law*. Princeton: PUP.
- Venice Commission. 2011. Stocktaking on the Notion of “Good Governance” and “Good Administration”, Study 470/2008, CDL-AD(2001)009.
- Vintar, Mirko, Rosenbaum, Alan, Jenei, Gyorgy, and Wolfgang Drechsler, W. (eds). 2013. *The Past, Present and the Future of Public Administration in Central and Eastern Europe*. Bratislava: NISPAcee.



# 3. Case Studies

---

*Editors: Juraj Nemec, Martin Klus*



# A Framework for Political Leadership to Build Sustainable Public Institutions: Addressing Wicked Problems

---

*Richard F. Callahan<sup>1</sup>*

## **Abstract**

Through a case study methodology, this paper illustrates a five-step process of political leadership that successfully addressed a range of social and health challenges such as homelessness, gang violence, HIV/AIDS, and children's protective services. This chapter offers a research design that brings together political biography and policy frameworks, through a model developed from the political leadership of an elected official of Los Angeles County Supervisor, Edmund D. Edelman from 1974 through 1994 that provides an empirical example of actual leadership successes, across a range of policy action arenas. The policy and administrative leadership framework with political relationships as central, coupled with a consistent approach characterised by five features: 1) people deserve better than the status quo; 2) improvement is possible; 3) leverage existing funding, law and policy and the intergovernmental system; 4) initiate new study mechanisms; 5) design new institutions. This research explicates how individual political leadership engages in a pattern of effective behaviours across a range of wicked problems. The research illustrates a model that moved from good intentions to institution building, with a connection between values and effective organisational and institutional action. This research brings together three typically separate pieces: a political leader, a process of policy and administrative change, and significant social challenges.

## **Introduction**

---

The United Nations 2030 Agenda for Sustainable Development (United Nations, 2015) calls for in Goal 16 to “build effective, accountable, and inclusive institu-

---

<sup>1</sup> Public Management & Organizational Studies, College of Professional Studies, University of San Francisco, Carmichael, United States.

tions at all levels”. An inherent aspect to the United Nations’ challenge is to find processes that model successful institution building in the context of politics. This paper explores the role of political leadership in addressing wicked societal problems that call for more effective, accountable, and inclusive institutions. Through a case study methodology, this paper illustrates a five-step process that successfully addressed a range of social and health challenges such as homelessness, gang violence, HIV/AIDS, and child protection although at the county level of government, the jurisdiction included over eight million residents, with a ten billion U.S. dollar annual governmental budget, offering a scale comparable to a national level. Empirically exploring how to build institutions directly addresses Sustainable Development Goal 16, whilst also offering the potential for a process in a political context to advance 17 of the other Sustainable Development Goals.

A challenge in the research on political leadership is to distinguish between the leadership practices **and** the specific context. Methodologically, theoretically, and empirically the challenge is to combine “... sensitivity to casual complexity and contextual effects with aspirations that draw out implications about social processes that transcend a single social setting” (Pierson, 2004; 169). The context matters in two directions as longstanding political leadership researchers identify as the “key puzzle of political leadership: how it affects and is affected by, the contexts in which it occurs” (Bennister, ‘t Hart and Worthy, 2017; 1). The lessons in shaping and responding to context can offer a set of practices that might be transferrable or adaptable in other jurisdictions.

There is well-developed research on the role of individual public leaders in specific contexts solving significant societal challenges. The research found in political science on elected officials in political biographies focuses on individual leadership skills, for example of U.S. President Lyndon Johnson’s skilful passage of the 1964 Civil Rights Act (Caro, 2012) or President Lincoln’s mastery of a Civil War Cabinet (Kearns, 2006).

In contrast, research on complex public policy leaves the individual political leader out of the findings. The research on wicked problems (Kettl, 2006) starts with a premise that a set of public challenges transcend any one individual leader’s failures or location. Similarly, in research on steps to solve collective action issues through public policy, models such as Bardach’s “Eightfold Process” (2016), assume the transfer of frameworks across individuals and contexts.

This chapter offers a research design that brings together political biography and policy frameworks, through a model developed from the political leadership of elected officials working across a wide range of wicked problems. In answering the leadership question of what works, the career of Los Angeles County Supervisor, Edmund D. Edelman (2013) from 1974 through 1994 provides an empirical example of actual leadership successes, across a range of policy action arenas. The

research finds a shared framework that Edelman successfully applied to address issues as disparate as gang violence, homelessness, and the emergence of HIV/AIDS.

This research develops an exploratory case study (Yin, 2009). The case study looks at the political leadership of an elected political leader, Edmund Edelman as one of five elected County Supervisors for an urban, serving the central district with 1.5 million constituents. A model of administrative and policy change is supported, citing an example in Edelman's leadership. The Edelman examples illustrate a five-part framework.

The research first introduces the Edelman approach as a framework for policy and administrative change. The case study methodology explains the "how" (Yin, 2009; 9), and is as well appropriate to study the nuances of governance design (Heinrich, Hill and Lynn 2004; 13; Callahan, 2007). The discussion in this framework covers a range of issues that meets Yin's criteria of national importance (2009; 185).

The next step in the research is a discussion of how the problems Edelman addressed meet the criteria of wicked problems proposed by Kettl (2006). The paper concludes with a discussion of the limitations of the research, as well as the potential for future research.

### **Political Leadership and Wicked Problems**

Past research on political leadership and on wicked problems typically is in the context of national-level issues. The role of an elected official as a political leader is often researched at a national level in parliamentary systems ('t Hart, 2014) or through political biography of Prime Ministers (e.g., Roberts, 2018) or presidents of the United States (Neustadt, 1991). Similarly, the concept of wicked problems was formulated as a response "... to the attempt of the government in Washington to slice and dice, structure and rationalize world problems" (Noordegraaf, *et. al.*, 2019, 281). A challenge in research on elected, political leadership is finding models of success at the varied levels of public institutions and representative governance on issues of high consequence. However, moving the focus to political leaders at sub-national levels provides an opportunity to expand the study of political leadership across varied contexts.

An additional shortcoming of wicked problem research has been "... a blind spot for the experiences and practices of the people dealing with these problems on a daily basis" (Noordegraaf, *et. al.*, 2019, 281). Connecting leadership research to the context of wicked problems brings a focus on the "people dealing with these problems". Leadership at a local and regional level consistently addresses the interaction of people in wicked problems in a range of issues such as homelessness, gang violence, and land use.

For wicked problems, leadership research aligns with action arenas of significant public impact. Public leadership research typically attempts to answer the

question of what works on issues affecting many people. Kettl (2006) frames a wicked problem as having high consequences for inaction. The research challenge is not only to find what works for significant issues, but to design research to find a set of lessons that can be tested in other contexts. A challenge in the research on political leadership is to distinguish between the leadership practices of an individual, the unique aspects of the specific context, and what practices can cross walk into other situations. Methodologically, theoretically, and empirically the challenge is to combine “... sensitivity to casual complexity and contextual effects with aspirations that draw out implications about social processes that transcend a single social setting” (Peirson, 2004; 169). Specific to this paper, is the research question of how a set of political leadership experiences in Los Angeles County has the potential to apply to other jurisdictions, or potentially jump from the local to the national level.

The context matters in two directions as longstanding political leadership researchers identify as the “key puzzle of political leadership: how it affects and is affected by, the contexts in which it occurs” (Bennister, ’t Hart and Worthy, 2017; 1). The lessons in shaping the context, as well as in responding to context, can offer a set of practices that might be transferrable or adaptable in other jurisdictions.

### **Political Leadership Framework**

The proposed policy and administrative framework brings together the interpersonal aspects of politics, together with a consistent approach across action arenas, such as homelessness, gang violence, and children’s protective services. The framework focuses on relationships as a starting point that brings together the political and administrative aspects as the “... notion of distributed leadership has also given some traction to the idea that it is not the distinction and separation between political and administrative leadership that should be emphasised, but rather their complementarity” (’t Hart, 2014; 29).

For the framework, relationships are at the centre of each of the five steps. As an iterative process, the discussion on each of the five steps begins with interpersonal discussions with individuals and political constituencies. This starting point is consistent with research that finds relationships central to the work of public leaders (Hartley, 2018; 209). As a political leader, Edelman approached and operationalised political leadership through the following five steps:

1. People deserve better than the status quo with a commitment to public sector values such as the rule of law, human dignity, and justice calls for better action.
2. We can do better. Making a case that the status quo is not the limit of collective action capacity.
3. Identify how to better leverage existing funding, law and policy and the inter-governmental system to identify the return on investment fiscally, as well as in human terms.

4. Take the initiative through new study mechanisms. Assign the study of the problem and development of recommendations to a specific group. Develop the analysis and evidence for change.
5. Develop institutions that formalise sustainable policy. Develop legislative approval for the organisational structures, policy design, and institutions needed to address the wicked problems.

Edelman's political leadership was not a set of random steps, nor was there a formalised handbook that Edelman had written. Rather, these steps emerge from four sources of observations. One, the framework develops from personal observations by the author working for Edelman during a five-year time frame. Two, a public health article applying this implicit approach from the former Edelman staff, Jonathon Freedman (Boutwell and Freedman, 2014). Three, a set of in-depth interviews with Edelman conducted a decade apart in 2001 and 2012 (Edelman, 2001; Edelman; 2012), as well interviews with longstanding contemporary political leaders (Holen, 1997; Pisano, 2019). Four, an in-depth documentary with interviews from over 20 former staff and political colleagues produced by Edelman's wife, Mari Edelman, with assistance from former staff (2013).

## **Applying the Framework**

### **Wicked Problems**

The testing of the Edelman framework across a range of wicked problems keeps the focus on collective action problems as opposed to personal advancement or only legislation. Applying the Edelman framework across varied wicked problems increases the potential to see if the Edelman framework has a similar impact in varied, specific contexts. In more concrete terms, considering political leadership that addressed gang violence, homelessness and children's protective services offers different institutional contexts and organisational settings on each issue. These differences in context for the same framework provide an opportunity to consider the transferability of the framework.

To establish the significance of issues that Edelman addressed as a political leader, we use the criteria of wicked problems suggested by Kettl (2006). In analysing the poor response by U.S. federal, state, and local governmental agencies to Hurricane Katrina in New Orleans, Kettl finds four features that characterise a wicked problem that eludes problem-solving by public agencies.

1. Cross political jurisdictions;
2. High cost in failure;
3. An immediate and pressing need; and
4. Depleted intellectual capital for generating new solutions.

The specific initiatives of Edelman address the varied dimensions of wicked problems. Edelman’s example offers a way to test for the significance and success of political leadership. These wicked social problems are set in the context of the large scale of Los Angeles County, with 82 incorporated cities, places these issues in a county with a larger budget than 42 U.S. states. The career of Los Angeles County Supervisor, Edmund D. Edelman (2010) from 1974 through 1994 provides an empirical example of actual leadership successes, across a range of policy action arenas. The research finds a shared framework that Edelman successfully applied to address issues as disparate as gang violence, homelessness, and the emergence of HIV/AIDS.

## **Political Leadership Model**

---

### **Relationships**

Edelman’s leadership model begins with relationships (Edelman, 2013). As Director for over 30 years of the Southern California Association of Governments, Mark Pisano commented, “Edelman found a way to work with the improbable”. His work on forming a coalition to begin the construction of a subway system (Callahan, 2007) was anchored by a longstanding partnership with his appointee to the transit governance oversight board, Marv Holen. In proposing the creation of a new department, focused specifically on children’s protective service, Edelman worked closely with a dynamic set of activists, Helen Kleinberg, Nancy Daly, and Stacy Winkler to mobilize community and entertainment industry support. Edelman’s initiative to improve coordination of services for the homeless began with his decades’ long relationship with Los Angeles City Mayor Tom Bradley.

### **People deserve better**

The starting point for Edelman’s initiatives was that people deserved better than the current system. Edelman began from a core value-driven approach to leadership (O’Toole, 1995). Edelman believed in the fundamental human dignity of each person and that whatever a person’s status in a society, that individual deserved equal protection under the law. Much like Burns’ (1978) insight on transformational relationships of leaders, Edelman embraced causes and promoted the values of human dignity, justice, and compassion in a way that transformed the followers around core values.

In the early 1980s, when young men in West Hollywood in Los Angeles County were dying of a yet-unnamed disease, Edelman advocated for improved systems to address HIV/AIDS through public health education, county health department treatment, and federal research. As the homeless population in downtown Los Angeles became increasingly visible, with an estimated 30,000 county-wide homeless, Edelman argued that the homeless deserved better access to shelter, to county

general relief funding, and to mental health services. When the crack cocaine epidemic hit Los Angeles County in the mid-1980s, Edelman argued that the neonatal drug-exposed mothers deserved better access to treatment early in the pregnancy to reduce the impact at birth.

The Edelman approach on the issues of HIV/AIDS, homelessness, and neonatal drug exposure embraced the description of Kettl (2006) on wicked social problems. Edelman's model addressed social problems where the high cost of failure would be measured in lives lost to HIV/AIDS, drug exposure, or homelessness. In addition, for each of these issues, at the time Edelman advocated there was what Kettl (2006) describes as a pressing need. Edelman addressed pressing problems so new that often his advocacy had to include education for the decision-makers and the public on the issue.

### **Potential to Do Better**

The second step in the Edelman model was to identify that government can do better. This shifts the discussion from the need for change or for public sector improvement to how improvement can occur. The Edelman process seeks expertise either with staff or with outside experts who can identify how improvements can be made to better serve those in need. This phase involves seeking allies and building relationships which aligns with research on political leadership by Paul 't Hart that finds "Despite small differences in terminology, there is a remarkable consensus in the fast-growing literature about the nature and dynamics of collaborative processes in the public domain" ('t Hart, 2014; 90).

On the issue of neonatal drug exposure and on homelessness, Edelman held public hearings, which were instrumental in broadening public understanding of these issues. He invited issue area experts to present ways the County of Los Angeles could improve drug treatment, educational outreach, and health services to reduce the incidence of neonatal drug exposure. On homelessness, Edelman conducted hearings on how best to provide shelter, mental health treatment, and connect the non-profit sector with county government. On children's protective services, Edelman invited county workers and community advocates to suggest proposals for improving the county's services for prevention of child abuse and neglect and for improved protection of children. In developing ways to do better, Edelman's process also built working relationships that could become collaborations as catalysts for change.

This phase of Edelman's approach addressed Kettl's (2006) criteria for wicked problems as characterised by depleted intellectual capital. The collaborations and public hearings generated new solutions. In addition, in exploring how improvements could occur, Edelman's approach intentionally crossed cross political jurisdictions. He would invite experts from across the county, from the City of Los

Angeles, from nonprofits, from universities – public and private – and in the case of gang violence, travelled to Philadelphia to see a community-based approach.

### **Leverage of Existing Resources**

The third step in Edelman’s approach was to operationalise aspirations. As context drives public leadership (Van Wart 2013), with conflict inherent (Hartley, 2018), the majority of three of the five members of the LA County Board of Supervisors were fiscal conservatives. In addition, after the state-wide voter approval of Proposition 13 to limit property tax revenue in 1978, Edelman led in a fiscally constrained political environment. His approach would argue that change would not be costly. Rather, he argued that the existing costs in the systems could be rebalanced to be more effective and more humane. Edelman, supported by research and expert opinion testimony, argued that funding emergency room visits for the homeless, sheriff detention of the mentally ill, or Intensive Care Unit costs for neonatal drug-exposed infants were fiscally, as well as the inhumane aspects of these problems, costing far more than the future financial costs of potential change. Edelman outlined how to leverage existing funds more effectively in county government and networks, as well as how to better leverage the inter-governmental system for state and federal funding. In addition, Edelman would propose shifting funds from lower priorities to pay for more urgent and emerging priorities.

To move forward on new initiatives, addressing emerging needs such as neonatal drug exposure, Edelman cited the testimony from a public hearing that discussed the costs of tens of thousands of dollars spent daily in a neonatal intensive care unit to treat a drug-exposed infant born prematurely. For gang diversion programmes, Edelman argued that prevention and community-based programmes that avoided incarcerating youth were more cost effective for taxpayers over funding time in state prison or county jail.

Edelman’s approach specifically leveraged Kettl’s (2006) description of the high cost of failure to address wicked social problems. In making a case for further study of needed change, Edelman acknowledged the human dimensions of the high cost of failure. But he also responded to the fiscal context by arguing that the return on investments in new programmes, coupled with the limited up-front costs for new policy initiatives, better leveraged existing resources. Before the terminology developed on sustainability, Edelman’s approach of identifying the immediate and long-term fiscal savings was an argument for sustainability in institutional design and programme delivery.

### **Dealing with path dependencies**

The fourth step addressed the problems of path dependency (North, 1990). His model created forward momentum by developing evidence for change. In his research on political leadership, Paul ‘t Hart finds that “When to push ideas, wage

battles, confront or ignore opponents, address or neglect problems: considerations of need, opportunity, timing, and momentum are crucial to leadership” (2014; 101). Along similar lines with the classic research by Richard Neustadt (1991) on the power of presidency finding the control of the timing for addressing issues, Edelman used the study mechanisms as a way to influence the timing of an issue. Public hearings could be called in a short timeframe, such as with neonatal drug exposures. Alternatively, in the case of children’s protective services, a Task Force was formed to study the issues in a political process that extended over a full calendar year.

Edelman would take the initiative through a proposal to develop a new study mechanism. Though political opponents recognised that Edelman was setting the stage for future action, it was difficult to publicly oppose forming a Task Force to study an issue such as how to reduce child abuse. Similarly, it was difficult to oppose a request to have the County Health Services Department study the public hearing on neonatal drug exposure for recommended actions. To study options for reducing gang violence and gang homicides, Edelman introduced a motion to form an inter-agency group with members from across varied law enforcement levels, including federal, state, county, and city. Each study process was expected to demonstrate current unmet needs, inadequate response, or overwhelmed systems. Typically, Edelman asked for comparisons to other jurisdictions or best practices in other jurisdictions. Edelman initiated each of the study approaches specifically recognising what Kettle (2006) described as the depleted intellectual capital of the *status quo* with the study process expected to generate new solutions.

### **Institutional Design**

The fifth and final step of the Edelman approach was to develop mechanisms for adapting policy and administrative change that in the current terminology of the UN Sustainable Development Goal 16 as building sustainable institutions that are just, equitable and inclusive (United Nations, 2015). With the public leader’s responsibility as identifying the adaptive challenge (Hartley, 2018, 205; Heifetz, 1994), Edelman’s approach began with identifying and advocating for adaptive change then looking to create sustainable public value (Moore, 1995; Hartley, 2018, 206). The public value in this model included assigning funding and staff resources to address emerging challenges. The most notable feature was the varied forms of institutions that created public value.

In the Edelman approach, the context and relationships drove the design of structures. Collaborations across each public agency in the criminal justice system, prosecutors, public defenders, sheriff, police, probation, were needed at the local level to reduce gang violence. In addition, federal involvement was needed because cases could be assigned to federal courts and state government was involved because of the law enforcement jurisdiction of the Highway Patrol. The complexity of the collaboration led to the creation of a formal Countywide Criminal Justice Coor-

dinating Committee (CCJCC) of 27 members. The meetings were monthly, but only the principal elected, or appointed official could attend and vote at the meetings. This requirement created a forum of equals, who were the principal decision-makers, reducing the transaction costs of developing consensus.

In addressing homelessness, a different design brought together the Los Angeles City-County Task Force on Homelessness. This Task Force included representatives from various city and county departments, as well as elected officials and non-profit providers of services. For improving children’s protective services, Edelman led the year-long effort to create a new Department for Children and Family Services, as well as form a citizen oversight commission.

The new structures aimed to generate an administrative focus on improved outcomes. The data collection for each new structure enhanced the accountability for addressing the challenges in each policy arena. Each of the designs can be seen as addressing the programme component that McConnell and Marsh (2010; 571) evaluate for assessing great policy successes. The Edelman approach explicitly crosses the political jurisdictions that Kettl (2006) finds characteristic of failures to address wicked problems. Also, each new design specifically addressed Kettl’s finding of an immediate and pressing need.

These steps are sequential and also at times nested, as described by Ostrom’s work (1990) that can occur with each other. For example, the study phase can uncover institutional design suggestions. The advocacy that we can do better can uncover ways to better leverage existing resources. Similar to the Ostrom case studies on common-pool resource protection in varied communities, the Edelman model is context-specific. The relationships, the politics, and availability of resources are each very context-dependent. What the model offers is a systematic way to develop varied solutions that respond to specific contexts.

In addressing the wide range of wicked problems, the success of the new institutional designs varied. The development of the first department for children’s protective services in Los Angeles County, led to the creation of similar new departments in urban counties throughout California. The new Department in Los Angeles County also developed a comprehensive set of inter-organisational networks with other Los Angeles County departments to address the varied dimensions of children’s needs, including mental health, public health, education, law enforcement, and health services. In addition, the new Department pioneered the role of a citizen oversight committee to increase accountability for performance. Each of the other institutional designs has continued for over thirty years. The County Wide Criminal Justice Coordinating Committee continued to meet regularly to address issues of gang violence and a wide range of other issues. The Commission on HIV continues to bring together varied perspectives on serving those with HIV.

In each of those policy areas, there are a range of challenges in measuring the impact of each initiative on reduction in cases, but overall, those initiatives found

case numbers stabilise or reduce. For example, in children's protective services, the number of cases for removal from homes has varied year to year, but over 20 years has remained relatively stable despite the large increase in population in the county. In the most recent year for data in 2017, 14,032 cases were filed for removal from homes (Inter-Agency Child Abuse Network, 2018) which compares to 13,466 new cases were filed in 1997 approximately ten years after the formation of the Department (Inter-Agency Child Abuse Network <http://ican4kids.org/reports.html>).

However, on the issue of homelessness, the number of homeless in the point in time count in Los Angeles County continues to grow each year; in 2018, exceeding over 50,000 cases. This increase in homelessness is part of a California state-wide growth in numbers annually. Currently, new initiatives for state-wide efforts include the newly elected Governor's proposal for a state-wide task force to focus on the problem – very similar to the goals of the initiative by Ed Edelman to form a City-County Task Force to increase focus, leverage resources, increase coordination, and generate new policy. The enduring challenges of homelessness as a wicked problem with significant human consequences, suggests the limits of a political leader at the local level addressing societal challenges that call for a national initiative.

## Conclusions

---

In this paper, we have argued that political leadership can generate a model of administrative and policy change for building sustainable and just institutions. In addition, we have argued that exemplary political leadership can explicitly address wicked societal problems, with significant human impact. The Edelman five-step approach illustrates the definition of political leadership developed by long-time researcher Jean Hartley (2018, 203) that "... mobilizing individuals, organizations and networks to formulate and/or enact purposes, values, and actions which aim or claim to create valued outcomes for the public sphere".

The main insight of the chapter is that a **systematic approach** to political leadership can successfully address wicked problems. The Edelman approach adapts to context. Along the lines noted by Paul 't Hart (2014; 105–126), this political approach accounts for timing and institutions, as well as the context of geography, scale, and a wide range of features specific to a particular issue.

This research was able to make explicit how individual political leadership can exercise a pattern of effective behaviours across a range of wicked problems. The research illustrates a model that moved from good intentions to institution building. The approach outlines the connection between values and effective organisational and institutional action. This research brings together three typically separate pieces: a political leader, a process of policy and administrative change, and significant social challenges.

The research provides an outline for how to operationalise the aspirations of the United Nations Sustainable Development Goal 16 through an empirically derived approach to institution building that advances justice, inclusion, and human dignity.

As with any sets of case studies, there are potential limits to the generalisability. The analysis developing this Edelman Framework for political leadership draws on cases from county government in the State of California, in the United States. The framework should be tested through research at the national level of government, as well as in different nations. The challenge is to find processes that model successful institution building in the context of politics. An additional limitation is outlined in the work of 't Hart and Compton (2019) on great policy successes to include consideration of the temporal frame. Their work suggests the importance of assessing the cases as the outcome might change over a period of time. Another limitation is that the empirical evidence is more correlation than causation, as well as the absence of the counterfactual action.

The political leadership outlined in this model offers the potential to operationalise the aspirations of the United Nations 2030 Agenda for Sustainable Development (United Nations, 2015) beyond the Goal 16 to “... build effective, accountable and inclusive institutions at all levels”. The centrality of institutions (North, 1990) to success in economic development and in addressing path dependence suggests that understanding the dynamics of institution building might enhance the potential for success across each of the 17 Sustainable Development Goals.

## References

---

- Bardach, E. & Pastashnik, E. (2016). *A practical guide for policy analysis: The eight-fold path to more effective problem solving*. Thousand Oaks: Sage.
- Bennister, M., 't Hart, P. & Worthy, B. (2017). “Understanding Political Leadership: The Leadership Capital Approach”. *The Leadership capital index*. UK: Oxford University Press.
- Boutwell, A. & Freedman, J. (2014). “Coverage Expansion and the Criminal Justice Involved Population”. *Health Affairs*. 33(3) 482–486.
- Burns, J. M. (1978). *Leadership*. Harper Collins, New York, NY.
- Callahan, R. (2007). “Governance: The Collision of Politics and Cooperation”. *Public Administration Review*, 67(2) 290–301.
- Caro, R. A. (2012). *The years of Lyndon Johnson: The passage of power*. New York: Alfred A. Knoff.

- Edelman, E. (2001). Interview, Santa Monica, California, February 2, (2012). Interview. Los Angeles, California. February 1.
- Edelman, M. (2013). *The Passion and Politics of Ed Edelman*.  
<https://www.pbs.org/video/passion-and-politics-ed-edelman-passions-politics-ed-edelman/>
- Head, B., & Alford, J. (2015). Wicked problems: implications for public policy and management.  
*Administration & Society*, 47(60), 711–739.
- Hartley, J. (2018). “Ten propositions about public leadership”. *International Journal of Public Leadership*. 14(2) 202–217.
- Heinrich, C. J., Hill, C. & Lynn, Jr., L. E. (2004). Governance as an organizing theme for empirical research. In *The Art of governance: Analyzing management and administration*, Eds. Ingraham, P. W. and Lynn, Jr., L. E., Washington, DC: Georgetown University Press. 3–19.
- Holen, M. (1997) Interview. Los Angeles, California.
- Inter-Agency Child Abuse Network. 2018. Report. <http://ican4kids.org/reports.html>
- Kearns, D. (2006). *Team of rivals: the political genius of Abraham Lincoln*. New York: Simon & Schuster.
- Kettl, D. F. (2006). “Is the Worst Yet to Come?” *Annals of the American Academy of Political and Social Science*. 273–287.
- Moore, M. (1995). *Creating public value; Strategic management in government*. Harvard University Press, Cambridge, MA.
- Neustadt, R. (1991). *Presidential power and the modern presidents*. NY: The Free Press.
- Noordegraaf, M., Douglas, S., Geuijena, K. & Van Der Steen, M. (2019). “Weaknesses of wickedness: a critical perspective on wickedness theory”. *Policy and Society*. 38(2), 278–297.
- North, D. (1990). *Institutions, institutional change and economic performance*. Cambridge Press.
- Ostrom, E. (1990). *Governing the Commons*. Cambridge University Press.
- O’Toole, J. (1995). *Leading change: The argument for values-based leadership*. San Francisco, CA: Josey-Bass.
- Pierson, P. (2004). *Politics in time: History, institutions and social analysis*. Princeton: Princeton University Press.

Pisano, M. (2019). Interview. Los Angeles, CA. July 29.

Roberts, A. (2018). *Churchill: Walking with Destiny*. Viking.

't Hart, P. (2014). *Understanding public leadership*. UK: Palgrave Macmillan, Basingstoke.

't Hart, P. & Compton, M. E. (2019). *Great Policy Successes*. Oxford University Press.

United Nations. (2015). *Transforming our world: the 2030 agenda for sustainable development*.

<https://sustainabledevelopment.un.org/post2015/transformingourworld>

Yin, R. K. (2009). *Case study research: Designs and methods* (4<sup>th</sup> ed.). Thousand Oaks, CA: Sage.

# Co-creation and Co-production on the Local Level: The Case Study of the “Citizens’ Initiatives” Service in the City of Ljubljana

---

Mitja Dečman<sup>1</sup>

## Abstract

This case study aims to describe the participatory initiative, conducted in Ljubljana, the capital city of Slovenia. It is in line with the current trend of New Public Governance (NPG) that sees citizens as partners in the development and use of public services. It represents a shift from the New Public Management (NPM) domain, where citizens were primarily seen as customers, deciding to use the service or not. Furthermore, the case presented in this study is oriented towards the adaptation and use of information technology, which represents an important momentum in the creation of the provision of public services and can also be used as a platform for co-creation and co-production. Finally, it also represents a major potential for the Smart City initiative, in which it plays a major role in achieving a better environment for a plethora of stakeholders – citizens being the main one.

## Keywords:

co-production, co-creation, local government, online services, city

## 1. Introduction of the Topic of Co-Production and Co-Creation

Co-production and social innovation can be described as a new reform strategy for the public sector (Voorberg, Bekkers, & Tummers, 2015), where the concept of social innovation can be described as “*a collaborative process of improving services for disadvantaged groups and delivering publicly desired outcomes*” (Bovaird & Loeffler, 2016), and therefore holding great potential for co-production and co-creation activities. Co-production and co-creation outcomes have often been detected in the private sector through activities conducted by end users to create added value for the service or product providers. These activities were based on end-user experienc-

---

<sup>1</sup> Faculty of Public Administration, University of Ljubljana, Ljubljana, Slovenia.

es and participation interest, where end users can be regarded as co-producers or as co-creators. Voorberg et al. (2015) differentiated three types of citizen roles: co-implementer, co-designer and initiator, whilst some other researchers sometimes mix these roles or make some conceptual distinctions. In any of these roles, citizens (and on the other side, organisations and their employees) can participate using different channels. Considering the wide spread of information technology today, many of these channels are implemented online, using information and communication technology (ICT), which represents one of the five critical public service improvement systems (Andrews, Ashworth, & Meier, 2014). ICT serves not only as a source of efficient information management, but also as the new enabler for people to voice their views about issues that affect them, based on their knowledge as members of society (Eriksson, 2012). However, ICT can bring other different challenges, including the issues of the digital divide, technology dependent environment, digital user-experience, and others.

Although co-creation and co-production terms are often used interchangeably (Gebauer, Johnson, & Enquist, 2010), both represent a topic of active participation, where citizens are seen as partners. Co-creation is a more specific term compared to citizens’ participation and refers to the active involvement of end users in various stages of the production process (Prahalad & Ramaswamy, 2000). Co-production can be defined as the process by which professionals and citizens may support each other to make “better use of each other’s assets, resources and contributions to achieve better outcomes and/or improved efficiency” (Bovaird & Loeffler, 2013, p.4). Osborne, Radnor and Strokosch (2016) describe co-production as one of the cornerstones of current public policy reforms across the globe.

It is also important to discuss the reasons why co-production or co-creation is taking place. These might include the increased involvement of citizens driven by their wish or demand, the increased need of service effectiveness, efficiency, value (Osborne et al., 2016) and others. In some cases, the reason itself is simply the increased need for involvement per se, being directly by the citizens or through different organisations (Lelieveldt, Dekker, Völker, & Torenvlied, 2009). There are also different important influential factors that influence the success of the co-production or co-participation initiatives. They relate to the environment of all included stakeholders, being citizens, NGOs, private or public sector organisations and their environments.

In this case study, we focus on co-production and observe it from the viewpoint of Osborne et al. (2016) as the voluntary or involuntary involvement of public service users in any of the design, management, delivery, and/or evaluation of public services. Therefore, we formulated the following research question:

*How did users understand and use the Citizens’ initiatives service from the aspect of co-production, and what was the impact for them and the municipality?*

So, we focus on the case from local self-government where services are even more related to the narrow territory, related to many of citizens' everyday needs and associated with different public services (water, waste, electricity, transport, etc.). Citizens therefore have a big interest in co-producing services, and counting on the improved efficiency and quality of the service. Nevertheless, the potential of co-production was found and argued in other areas, such as the welfare system (Lindsay, Pearson, Batty, Cullen, & Eadson, 2018), safety (Eijk, Steen, & Verschuere, 2017; Williams, LePere-Schloop, Silk, & Hebdon, 2016), the environment (Cornwell & Campbell, 2012), education (Oldfield, 2017, p. 83) health (Leone et al., 2012), and others.

## **2. The Case of Ljubljana's Citizens' Initiatives Online Service**

---

Ljubljana is the capital of Slovenia with a population of around 300,000 citizens and divided into 17 local communities. In addition, 200,000 commuters travel in and out of Ljubljana daily. It is one of the only two cities in the country with a population of more than 50,000 people. The Citizens' initiatives online service<sup>2</sup> was established by the municipality of Ljubljana at the end of 2008. Already in 2001, the municipality had established a department for citizens' applications and complaints, working under the supervision of the mayor's cabinet. The cabinet later changed its name since it was misleading and not positive enough. It is now called the Department for Citizen Initiatives and is under the supervision of a special committee of the city council. The goal of the department is to establish a more positive relationship between citizens and the municipality. The department currently employs three people and deals with initiatives passed through the online platform, email, or phone simultaneously. The municipality also organises monthly "meetings with the mayor", where citizens can also present their initiatives in person.

The idea of the Citizens' initiatives can be linked to the classical concept of public administration management theory, enabling the maximum feasible participation of residents of the areas and members of the groups served by a selected organisation (Judd, 1988, p. 313). Such an online service arms citizens with bottom-up control over the implementation of public services, in a manner of technology-based co-production, but is, on the other hand (according to the public administration management theory), only available because the public organisation decided to do so (Osborne et al., 2016). Ljubljana's Citizens' initiatives service is primarily a co-production service with a possible potential of co-creation. Most initiatives (received by the municipality until today) are focused on already established services and their efficiency and delivery. On the other hand, the minority of them include some suggestions for the renewal of existing services or innovative ideas for new ones. The information system for Citizens' initiatives service was custom made, purchased by the municipality and set up by an external provider. Linking to the concept of levels of policy change (Hall,

---

2 <https://pobude.ljubljana.si/>

1993), Citizens’ initiatives have major potential in the first level of policy change, where the modification involves an adaptation of current policies to present issues, but without immediately changing overarching policy goals.

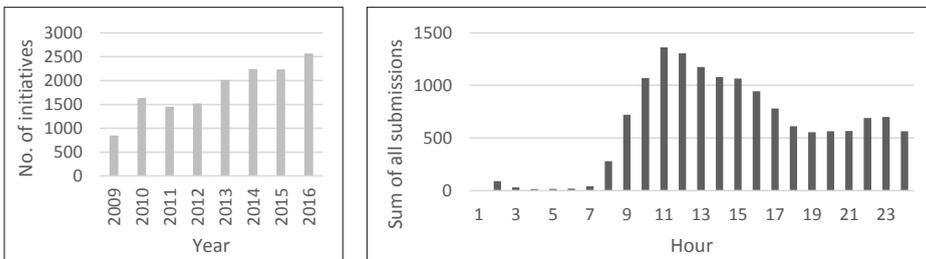
We analysed the Citizens’ initiatives service that enables citizens to co-produce different public services using the web or mobile application. We gathered more than 14,000 suggestions over the period of seven years (2009–2016) and used quantitative and qualitative analysis tools to detect and categorise co-production activities from the aspect of location, service types and topics. From the analysis of the Citizens’ initiatives online service, we detected the topics that are of most interest to citizens, the issues that they find appropriate to be raised through the co-production concept, and the language used in such co-production activities. Using interviews of the municipality’s employees, we analysed the internal view on the concept of co-production. The results show that the initiative is an integral part of the municipality’s activities and an important cooperation channel for citizens, as shown by the growing number of suggestions over the years.

### Data Analysis

The data used in the case study was extracted from the “Citizens’ initiatives” online service database. Since no personal data was included, and all existing initiatives are publicly available on the online site, there were no issues regarding personal data protection. After the correction of the spelling mistakes, we conducted lemmatization of the initiatives’ text using a special tool called Obeliks<sup>3</sup>. It is a statistical morph syntactic tagger and lemmatizer for the Slovenian language. Stop words (common words such as pronouns) defined for the Slovenian language, were taken into account before further analysis. Methods of data analysis consisted of thematic analysis; constant comparison; content analysis; structural analysis; framework approach and document analysis. We also conducted an interview with two municipality employees, namely the head of the department for citizens’ initiatives and the operations manager for citizens’ initiatives.

**Figure 1**

Number of submitted initiatives (left) and submission distribution hourly (right)



<sup>3</sup> <https://github.com/mgrcar/Obeliks>

The data showed that the municipality puts a lot of effort into the service and tries to act upon each individual initiative. The results show an increase in the initiatives received over the years (Figure 1, left). Although there a small decrease can be seen in 2011, we can see a steady increase in the number of initiatives, indicating the successful adoption of the citizens' initiatives service and also the platform by citizens. From the time slot analysis of the most frequent postings, we can see that citizens are most active during "lunch" hours.

According to the data in Table 1, focusing on the district of the initiative, most initiatives are related to the Centre district, which is the most populated district of Ljubljana. At the same time, it hosts a huge number of government and private institutions and schools (workplaces), so the majority of the commuters also work in the Centre district. Moreover, we can see that the area size of a district does not correlate to the number of initiatives. The largest districts, such as Polje or Črnuče, have a relatively small number of initiatives.

**Table 1**

Ljubljana districts, areas and populations linked to the number of initiatives.  
District is selected by the submitter of the initiative

ID	District	Area (km <sup>2</sup> )	Citizens	Initiatives/citizen	Initiatives/km <sup>2</sup>	No. of initiatives
1	Šmarna gora	14.43	4965	0.020	7.0	101
2	Šentvid	15.83	14216	0.015	13.3	210
3	Črnuče	18.10	11641	0.022	14.0	253
4	Posavje	9.05	9901	0.060	66.0	597
5	Dravlje	11.11	15645	0.030	42.3	470
6	Bežigrad	7.24	3467	0.568	271.8	1968
7	Polje	22.10	20394	0.022	20.6	455
8	Šiška	7.36	35532	0.041	197.6	1454
9	Jarše	9.06	14394	0.036	57.0	516
10	Rožnik	8.35	17014	0.038	77.8	650
11	Center	5.07	25795	0.192	974.4	4940
12	Moste	3.40	21659	0.025	162.4	552
13	Sostro	88.56	6816	0.023	1.8	157
14	Golovec	8.27	12199	0.022	31.8	263
15	Vič	14.38	13995	0.054	52.8	759
16	Trnovo	7.18	16777	0.042	97.8	702
17	Rudnik	25.48	13905	0.036	19.5	497

Initiatives focused on different topics that can be detected by the analysis of the word used in their texts. By using an approximation method and namely counting the appearance of the “topic words” in the text, Table 2 represents the most frequently used content words, and consequently topics of interest, detected in initiative texts.

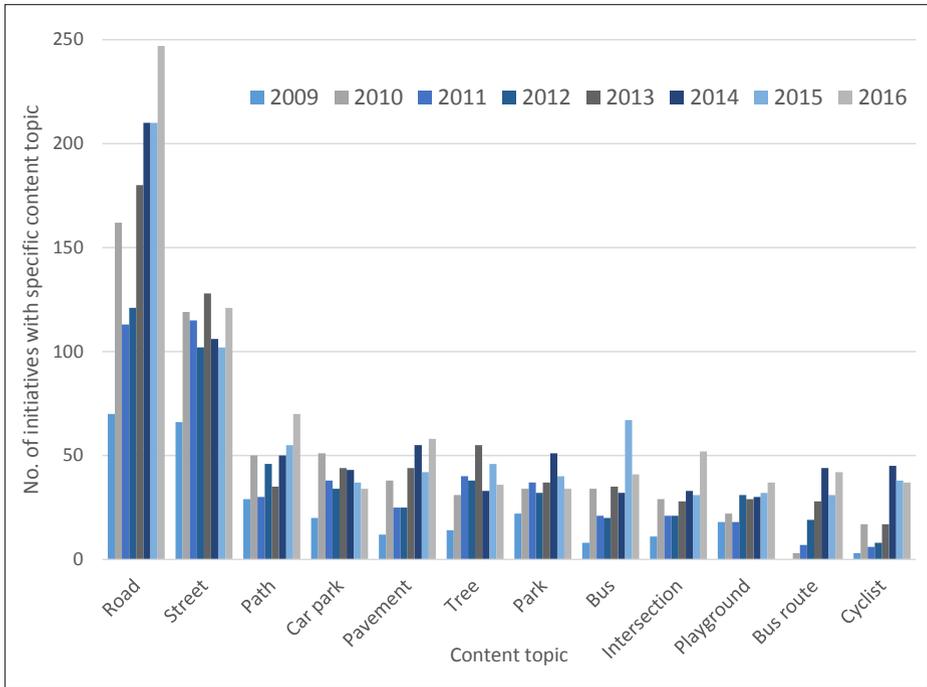
**Table 2**  
Number of initiatives by word frequency

Name	Freq.	Name	Freq.	Name	Freq.
<b>Environment</b>		Bike lane	1370	Roadway	737
Envir. protection		Bike related	363	Street	4640
Refuse	503	Bike	808	Parking	
Waste	571	Cyclist	1779	Parking related	928
Infrastructure		Driving		Parked	615
Block of flats	690	Car	1704	Parking	1197
Building	478	Conditions		Car park	1589
House	879	Asphalt	534	Public transport	
Neighbourhood	661	Busy	1075	Bus line	906
Outdoor areas		Pothole	530	Bus stop	1519
Green area	525	Speed	569	Bus	1494
Park	1142	Traffic light	600	LPP	492
Playground	874	Driver	787	Walking	
Tree	1180	Drive	1356	Pavement	2264
<b>Society</b>		Roads		Pedestrian crossing	1397
Child	1076	Path	2203	Pedestrian	2078
<b>Traffic</b>		Intersection	2140		
Cycling		Road	6854		

Selecting the twelve most frequent content topics detected from the text of the initiatives and analysing them over the years shows (Figure 2) that the frequency of some content topics such as mobility, increased over the years (roads, streets and paths appear to be the most critical areas), sometimes even as a consequence of activities of the municipality. For example, cycling-related content topics have risen over the years, since more bike lanes were built, the Centre district was closed for cars and fully open to bicycles, the Bicikelj<sup>4</sup> bike sharing system was introduced, etc.

4 <http://en.bicikelj.si/Ljubljana>

**Figure 2**  
The frequency of content topic words by year



### Interview Analysis

Two employees of the Department for citizens’ initiatives, who cover initiatives by phone and email, organise monthly meetings with the mayor and manage the Citizens’ initiatives online platform, told us that the idea for the online platform came from the newly-elected mayor (his first mandate at that time). The goal was to increase the level of participation (communication, feedback) with citizens and also to offer a new online e-participation tool. The primary focus was on co-production. Co-creation possibilities were anticipated.

The impact of the initiatives on the work of the municipality is very positive. The reaction to different issues is faster, the processes – adapted to include citizens’ initiatives – enable effective work, especially since the application and digitization are custom-made, adapted to the processes of the municipality, and integrated with other information systems. The directive from the mayor is “initiatives first”, so employees must react when a message pops up in their application. In this way, they prevent new messages popping up from other citizens about the same issue. Their motto is also “if citizens are satisfied, so are we”, putting into practice the definition

of co-production by Bovaird and Loeffler (2012, p. 1121), where ‘the public sector and citizens are making better use of each other’s assets and resources to achieve better outcomes and improved efficiency’.

One of the interviewees stated, “our response teams are also happy to know where to go and what to do”, similar to the conclusions of Cornwell and Campbell (2012), that public officials treat citizens’ ‘lay knowledge’ as an insight into how to manage existing and soon-to-be public services (Eriksson, 2012). There are, of course, some situations where the online service is too slow, e.g., inspectors for illegal parking are usually too slow when reacting to online reports. However, many departments also use data from the initiatives to detect critical issues and locations, sometimes even using the data to plan ahead, e.g., for the next year’s activities.

Another important influence is that people feel important and heard. The citizens of Ljubljana are “very active citizens”, as stated by one interviewee, and especially the elderly, who do like to feel that they matter. Of course, there are some “special” individuals, who put too much burden on the department and their employees, and cause a lot of work, but they are treated in a respectful manner, and very tolerantly.

### **3. Lessons Learnt**

---

As stressed by Voorberg et al. (2015), policy makers and politicians could consider co-creation and co-production as a necessary condition for public innovation. Its outcomes are supposed to meet the needs of citizens and take into account the different factors such as demographic and social variations. We partly disagree with Breit and Salomon (2015) that a central mechanism, through which self-service and co-production has been implemented is through digitisation. Although it is an important mechanism and our case study shows that digitisation does have an important impact, other mechanisms predominate.

The results show that the number of initiatives has increased over the years, with the Citizens’ initiatives service gaining trust among citizens. With the current response rate of 99.3% by employees of the municipality, it relates to the findings of Rysell et al. (2004), that trust and commitment have a significant impact on value creation. Ljubljana’s “Citizens’ initiatives” is a good case of public organisation oriented towards the participation of citizens and an open attitude towards citizen participation (Voorberg et al., 2015). The municipality successfully organised and implemented adequate organisational structures (special department, some reorganisation) and procedures (changes of processes, integration with business information systems, change of priorities in employee tasks), stressed by Leone et al. (2012) as crucial success factors. As detected in the interview, citizens of Ljubljana showed intrinsic values such as loyalty, civic duty, and the wish to improve the city, characteristics stressed as successful factors by Wise et al. (2012). Although we did

not analyse the initiatives' responses of the municipality, we suspect that the framework within the municipality and the support of the highest-level personnel lowers the risk of 'creaming' (where initiatives which can be easily supported to achieve outcomes are prioritised) and 'parking' (where initiatives which are 'harder-to-cope-with' are neglected) (Shutes & Taylor, 2014).

As concluded by the interviewees, the interest for (e-)participation was and will be mutual. Many citizens do come forward with commendations. "Gaining trust is crucial here", concluded one of the employees. Based on that, even the co-innovation level can be detected. In the case of children's playgrounds, for example, citizens took the initiative into their own hands. They searched for new areas where playgrounds could be built, checking even the land registry for the owners. They also suggested new playground equipment, including suppliers and prices. The final result was a two-year plan made together with the municipality about the time and location of new municipal playgrounds. This is a good example of co-creation or even co-innovation.

#### 4. Conclusion

---

Already, in the past, Ostrom (1972) emphasised that public service organisations depended as much upon the community for policy implementation and service delivery as the community depended upon them. Although co-production and co-creation is not a silver bullet for the improvement of public services, they present a potential that can lead to increased effectiveness, efficiency, citizens' involvement, and satisfaction and democratisation. On the other hand, they cannot be used as a tool to fight the democratic deficit or performance deficit "per se" (Salge & Vera, 2012). The Citizens' initiatives service of Ljubljana is a 'pure' and successful co-production example, where the user co-produces the service experience and outcomes (public value) with public service staff (Etgar, 2008). According to the model of Osborne et al. (2016), it fits the co-design quadrant, where "co-production is a conscious and voluntary act, and is concerned with how to create capacity within public service delivery systems and to improve the design and delivery of a public service". Users of the local community actively engage with the service design, evaluation, and improvement.

However, for the success of such a digital co-production platform it is also crucial that digital competences are given to citizens and other stakeholders in the cases of digital-based co-production. Even in cases such as the Citizens' initiatives online service, where only basic digital skills are required to use the service, some citizens are in an inferior position. Furthermore, some online co-production platforms are provided at a higher level of sophistication, e.g., some demand secure authentication, even by using digital certificates, which again creates an inequality

between those with skill and those without (Breit & Salomon, 2015), which should also be addressed in digitally-based co-production.

## 5. References

---

- Andrews, R., Ashworth, R., & Meier, K. J. (2014). Representative Bureaucracy and Fire Service Performance. *International Public Management Journal*, 17(1), 1–24. <https://doi.org/10.1080/10967494.2014.874253>
- Bovaird, T., & Loeffler, E. (2012). From Engagement to Co-production: The Contribution of Users and Communities to Outcomes and Public Value. *VOLUNTAS: International Journal of Voluntary and Nonprofit Organizations*, 23(4), 1119–1138. <https://doi.org/10.1007/s11266-012-9309-6>
- Bovaird, T., & Loeffler, E. (2013). We’re all in this together: harnessing user and community co-production of public outcomes. *Birmingham: Institute of Local Government Studies: University of Birmingham*, 1(2013), 15.
- Bovaird, T., & Loeffler, E. (2016). *Bringing the Resources of Citizens into Public Governance* (J. Torfing & P. Triantafyllou, Eds.). Cambridge: Cambridge University Press.
- Breit, E., & Salomon, R. (2015). Making the Technological Transition – Citizens’ Encounters with Digital Pension Services. *Social Policy & Administration*, 49(3), 299–315. <https://doi.org/10.1111/spol.12093>
- Cornwell, M. L., & Campbell, L. M. (2012). Co-producing conservation and knowledge: Citizen-based sea turtle monitoring in North Carolina, USA. *Social Studies of Science*, 42(1), 101–120. <https://doi.org/10.1177/0306312711430440>
- Eijk, C. van, Steen, T., & Verschuere, B. (2017). Co-producing safety in the local community: A Q-methodology study on the incentives of Belgian and Dutch members of neighbourhood watch schemes. *Local Government Studies*, 43(3), 323–343. <https://doi.org/10.1080/03003930.2017.1281803>
- Eriksson, K. (2012). Self-Service Society: Participative Politics and New Forms of Governance. *Public Administration*, 90(3), 685–698. <https://doi.org/10.1111/j.1467-9299.2011.01996.x>
- Gebauer, H., Johnson, M., & Enquist, B. (2010). Value co-creation as a determinant of success in public transport services: A study of the Swiss Federal Railway operator (SBB). *Managing Service Quality: An International Journal*, 20(6), 511–530.
- Hall, P. A. (1993). Policy Paradigms, Social Learning and the State: The Case of Economic Policy-Making in Britain. *Comparative Politics*, 25(3).

- Judd, D. R. (1988). *The Politics of American Cities: Private Power and Public Policy* (3<sup>rd</sup> edition). Glenview, Ill: Harper Collins.
- Lelieveldt, H., Dekker, K., Völker, B., & Torenvlied, R. (2009). Civic Organizations as Political Actors: Mapping and Predicting the Involvement of Civic Organizations in Neighborhood Problem-Solving and Coproduction. *Urban Affairs Review*. <https://doi.org/10.1177/1078087409332303>
- Leone, R., Walker, C., Curry, L. C., & Agee, E. (2012). Application of a marketing concept to patient-centered care: Co-producing health with heart failure patients. *Online Journal of Issues in Nursing*, 17(2).
- Lindsay, C., Pearson, S., Batty, E., Cullen, A. M., & Eadson, W. (2018). Street-level practice and the co-production of third sector-led employability services. *POLICY AND POLITICS*, 46(4), 571–587. <https://doi.org/10.1332/030557317X15120417452025>
- Oldfield, C. (2017). In favour of co-production. In Majgaard, K and Nielsen, JCR and Quinn, B and Raine, JW (Ed.), *Developing public managers for a changing world* (pp. 83–102). <https://doi.org/10.1108/S2045-794420160000005005>
- Osborne, S. P., Radnor, Z., & Strokosch, K. (2016). Co-Production and the Co-Creation of Value in Public Services: A suitable case for treatment? *Public Management Review*, 18(5), 639–653. <https://doi.org/10.1080/14719037.2015.1111927>
- Ostrom, E. (1972). Metropolitan reform: Propositions derived from two traditions. *Social Science Quarterly*, 474–493.
- Prahalad, C. K., & Ramaswamy, V. (2000). Co-opting customer competence. *Harvard Business Review*, 78(1), 79–90.
- Salge, T. O., & Vera, A. (2012). Benefiting from Public Sector Innovation: The Moderating Role of Customer and Learning Orientation. *Public Administration Review*, 72(4), 550–559. <https://doi.org/10.1111/j.1540-6210.2012.02529.x>
- Shutes, I., & Taylor, R. (2014). Conditionality and the Financing of Employment Services – Implications for the Social Divisions of Work and Welfare. *Social Policy & Administration*, 48(2), 204–220. <https://doi.org/10.1111/spol.12057>
- Voorberg, W. H., Bekkers, V. J. J. M., & Tummers, L. G. (2015). A Systematic Review of Co-Creation and Co-Production: Embarking on the social innovation journey. *Public Management Review*, 17(9), 1333–1357. <https://doi.org/10.1080/14719037.2014.930505>
- Williams, B. N., LePere-Schloop, M., Silk, P. D., & Hebdon, A. (2016). The co-production of campus safety and security: a case study at the University of Georgia. *International Review of Administrative Sciences*, 82(1), 110–130. <https://doi.org/10.1177/0020852315573157>

Wise, S., Paton, R. A., & Gegenhuber, T. (2012). Value co-creation through collective intelligence in the public sector: A review of US and European initiatives. *Vine*, 42(2), 251–276.

# Performance Appraisal of Civil Servants – as Introduced by the New Law of Civil Service in the Georgian Public Sector

---

*Nino Dolidze<sup>1</sup>*

## 1. Introduction

---

Performance appraisal is probably the most thoroughly conducted novelty introduced under the Public Administration Reforms in public organisations. However, even now, we still talk about its relative success.

In 1997, Georgia adopted the first civil service law after regaining independence. However, the Public Administration Reform process began later and was being implemented in two main waves. The period 2004–09 incorporated the principles of the NPM and resulted in the eradication of administrative corruption and the development of a modern public service delivery system. The second wave began in 2013, when working on a new law on the civil service was launched. The law was adopted in 2015, entered into force in 2017, but some of its provisions have been postponed and are being gradually enforced through to 2020. The law aims at establishing a career civil service and focuses mainly on Human Resources procedures in public organisations. Despite the fact that both the processes of writing and implementing the law were backed by considerable efforts and commitment from public organisations, field experts, political will and support from the international community, it has been conducted with its flaws and shortcomings.

This new law also introduced a new system of employees' evaluation – performance appraisal – which has become mandatory since January 2018. Up until then there were no specific procedures, assessment criteria or indicators used. In 2017, several state organisations began piloting performance appraisals with the involvement of international donor organisations. Human Resource managers were trained, appraisal procedures developed and the first cycle of appraisals performed,

---

<sup>1</sup> Ilia State University, Tbilisi, Georgia.

after which the UNDP conducted a survey assessing civil servants’ expectations, attitudes and the problems revealed.

The first official performance appraisal took place in 2018, with all central government agencies individually developing rules, methods and procedures. Informative meetings were held with HRs and mid-level managers on the procedures and components as well as the possible outcomes of the process; interim and final assessments were conducted and subsequent reports submitted to the Civil Service Bureau, as the main coordinating agency at the State level (CSB, Annual Report 2018, p.9).

The goal of this chapter is to present the outcomes of repeated surveys on the evaluation of the performance appraisal system as used in Georgia. It addresses the pros and cons of performance appraisal and asks what recommendations can be made, based on the outcomes of those directly involved, namely public employees in local and central government. The method of secondary data analysis on repeated surveys illustrates that public servants in Georgia are aware of all the drawbacks of performance appraisal, but still favour its introduction and advancement.

## **2. Performance Appraisal – General and Georgia Experience**

Performance appraisal of public employees is, to a large extent, connected to NPM ideology and reforms. Hood (1991) identified as typical for New Public Management the elements such as hands-on management, performance measures, emphasis on output and controls that objectives are met, disaggregation of and competition within the public sector, copying private sector management styles and input discipline.

Performance appraisal of public employees began to be implemented on a large scale at the end of the last century; however, the success achieved has been limited and some governments reacted by stepping out. Since then, classic performance appraisals were reviewed very critically, by both academics and practitioners, asking to be considered the contextual factors in the set-up of the overall performance appraisal systems ((Staronova, 2017).

Recent research provides evidence that performance appraisal, similar to many other NPM tools, if properly implemented, may support improvements in public service performance. Vries and Nemeč (2013) argue that NPM is not dead with regard to the recommendations given to the improvement of the internal workings of government – moreover, the recent literature on this subject indicates that really many NPM “generated” tools and instruments are “alive” all over the world.

During the period 2016–18 several research projects were conducted relating to the performance appraisal of civil servants in Georgia. In 2016, the Analysis and Consulting Team (ACT), a global research-based consulting company, conducted

research under the UNDP PAR project, before introducing a new performance appraisal system, in central and local government organisations. 831 civil servants participated in the quantitative survey. As the study results show, 66 % of respondents believed that their work was appreciated, despite underlining the following drawbacks of the existing evaluations in their respective organisations:

- lack of consistent monitoring of performance;
- informal character of the evaluation and dependence on the human factor – the will of an individual manager/supervisor, his/her involvement in the everyday life of the subordinated department or division;
- lack of formal rewarding, monetary bonuses or promotion within the organisational hierarchy. The respondents recalled that mainly an oral recognition was used, for example, at weekly staff-meetings (ACT, 2017, p. 31).

Another research was conducted in 2016 by the Georgian Young Lawyers' Association and concerned performance appraisal systems in EU member states under the career model of Public Administration. The study also aimed at exploring the baseline situation in Georgian public organisations, where performance appraisal was introduced only as an experiment by certain HR managers. The study revealed the expectations and possible shortcomings of the appraisal process as evaluated by the servants:

- poor engagement of supervisors/managers in the process due to the lack of time and understanding the importance of the appraisal;
- difficulty to link individual job descriptions with organisational goals set in the annual action plans;
- difficulty to define individual goals and their achievement criteria for civil servants;
- difficulty to reflect appraisal results on career promotion, rewards and professional development of civil servants;
- poor ability of HR managers to facilitate the process, provide information to the involved parties and help them analyse the main aspects of the performance appraisal (GYLA 2016, p. 23).

A study conducted in December 2017 by the UNDP aimed at evaluating the results of the piloted performance appraisal cycle in 7 central government agencies. In total, 163 civil servants participated in the focus-groups. According to the 2017 survey, the main expectations of civil servants were as follows:

The outcome of the evaluation system should have been: increased motivation of public sector employees; professional development of the servants by identifying, analysing and improving individual weaknesses in the results of the appraisal; support employees' career development; increased efficiency of the public sector,

which would result in an increase of the professional level and qualifications of the personnel (UNDP 2018, p. 14–17).

The main threats identified in the 2017 survey concerned the following aspects of the appraisal system: threat to the impartiality of the process and its outcomes due to excessive loyalty of the appraiser, in order not to spoil the personal relationship with the employee, avoid conflict situations or endanger an employee’s promotion; excessive use of managerial authority by the appraiser; uncertainty and lack of clarity of the evaluation criteria and indicators: defining quantitative, measurable or quantifiable criteria, is a challenge in the public sector, especially given the specificity of concrete positions; formalisation and “routinisation” of the process: if the appraisal were to go through complicated bureaucratic procedures and require a large amount of human, administrative and time resources, it would become a boring routine and be formalised (p. 18–25).

The following were named as the necessary components of the preferred performance appraisal model: ability to appraise a supervisor by an employee, which included assessment of management skills, such as task assignment, leadership, goal setting etc.; introduction of a self-evaluation component; introduction of a peer evaluation component; confidentiality of the appraisal process; use of specific, job-related, measurable and quantifiable criteria – according to the functions and responsibilities and specifics of each position; employees’ engagement in process planning and elaborating assessment criteria; clearly define the role of the HR – as the facilitator in the relationship with the supervisor/manager; non-punitive but constructive nature of the appraisal process; receiving manager’s feedback – to analyse the reasons for negative appraisals and find ways for improvement.

### **3. Data Collection and Research Methodology for the Presented Case Study**

---

The data for the presented study were collected through qualitative research. It involved 10 focus groups carried out during the Summer-Fall 2019 within 6 line ministries of the Georgian Government. 63 low-ranking civil servants participated in the study in total. The purpose of the survey was to learn how the attitudes and perceptions of civil servants on performance appraisal changed after the first official appraisal cycle; whether previous expectations towards the appraisal system were justified or not; and whether the threats and risks identified earlier were taken into consideration and mitigated.

Based on the previous studies, the following three criteria were defined:

- Expectations towards the performance appraisal process
- Possible threats and risks
- Preferred model of performance appraisal

## 4. Data analysis

---

This part shows the results of the 2019 survey. The attitude of officials after the first performance appraisal cycle are summarised, following three core lines – expectations, possible threats and risks and preferred model of performance appraisal.

### Expectations Towards the Performance Appraisal Process

The introduction of the appraisal system has significantly **increased motivation amongst public sector employees**, especially young people. They are becoming more encouraged to express themselves, be innovative; they believe that their initiative and individual efforts will be seen and appreciated by their superiors, which has never happened before. As far as material rewards are concerned, such as salary supplements or bonuses – it is a significant incentive, regardless of what intangible recognition the employee receives and should be related to a positive appraisal. However, the focus-group interviews reveal that a decision on bonuses and material rewards depends on the will of a solid manager and on the resources available for a particular department; thus not being systematic and consistent. Even in the case of intangible rewards, the opportunity for personal growth is top of the list, compared to recognition, expressed gratitude, or increased number of leave days.

Concerning the **professional development of an employee**, it should be noted that this component is closely related to motivation and is seen as inconsistent and unsystematic. The main problem here is the written and unwritten principles of distribution of appraisal scores. According to the law, four scores can be assigned, with 1 being the lowest and 4 being the highest. It seems that there is an unwritten rule in the appraisal process – do not give anyone the highest score – 4 points. The argument is that in this case, it is no longer possible to identify personal and professional development needs and improvement weaknesses<sup>2</sup>. However, it should be acknowledged that even in case of the highest score, a person might need to acquire new knowledge and develop a new set of skills to maintain effectiveness in a constantly changing organisational environment. The score should reflect the current qualifications of the civil servant, but at the same time do not imply any hindrance to his/her future development. As a positive aspect, the performance appraisal system allows the setting of professional goals at the individual level and increase competition amongst employees. Thus, as the study shows, it would be helpful to have a mechanism for comparing the last year's and recent appraisals in order to observe the dynamics of a person's development.

---

2 Professional development of civil servants is one of the novelties of the Civil Service Law 2015, which has to be adapted to a newly established system of ranks and classes and has not yet been implemented. The Governmental decree #242 was issued in 2018, which sets out specific skills and knowledge as related to each of the four ranks in the public sector; the decree also establishes an accreditation procedure and the requirements for the potential training-provider organisations. The accreditation process began in the summer of 2019 although no trainings had been conducted at the time of this study.

Concerning the **support employee’s career development**, the system’s inconsistency is most evident. The focus group results point out that although the law has declared the establishment of a career public administration model, the direct career growth mechanisms are not at all defined by law. It is also not specified what legal consequences the appraisal may have, whether it be career promotion or assigning higher rank or class<sup>3</sup>. According to the existing reality, the employee, regardless of the results of the appraisal, has to participate in the contest in case of a job opening; however, unlike the old system, contests are held in a predominantly closed manner and it is difficult to participate for anyone from outside the public sector. The lack of clear career promotion mechanisms is one of the reasons for the high turnover of qualified and skilled personnel in the sector. Nowadays, managers are encouraging employees to use their own initiative, using the available means of encouragement in a particular department or division.

The expectation of an **increased efficiency of public sector** exists at the expense of increasing individual effectiveness and professionalism, as well as at the expense that the appraisal will reduce subjective attitudes, decisions based on personal factors and create incentives for youth in career development. At the organisational level, a properly conducted appraisal will increase transparency, information sharing, improve communication both amongst peers and between leadership and subordinates on the organisational goals and support, developing a goal-driven culture. The proper appraisal will help the public sector become more competitive as an employment field, in terms of personal and professional development opportunities, and consequently more attractive for qualified staff. It is also noteworthy that the appraisal allows for the separation of responsibilities and avoiding overlaps, especially in terms of functions and competencies for each position, as well as give a clear definition of what quality and a substandard work means and how quality can be measured.

### **Possible Threats and Risks**

**The impartiality of the process and its outcomes** is still identified as a threat, as compared to the 2017 UNDP study, but due to the different causes. The 2019 study shows that in general, the appraisal did not result in any deteriorating relationship between peers or a supervisor and an employee. As for the supervisor’s excessive use of authority, the main reason is that the middle-level managers do not fully realise their responsibilities in the process, and do not get involved in training or information meetings. Even providing feedback on the appraisal results depends solely on the goodwill of the manager and is not regulated by any policy document. In most cases, the personal will and integrity of the particular manager is emphasised, which still makes the system dependent on the human factor and endangers its sus-

---

3 It should be noted that according to the planned amendments to the regulations, a higher rank will be assigned to a civil servant after receiving two consequent positive appraisals.

tainability and consistency. According to the focus group results, some employees might receive the feedback by mail, some do not know the results of recent and previous assessments, or do not know what the received score means, some talk to the manager, some do it on their own initiative; some think that if they did not receive feedback, it would probably coincide with their self-evaluation. Thus the feedback is especially important when self-evaluation does not match the manager's appraisal.

**The ambiguity and inaccuracy of the appraisal criteria and indicators** are named as primary factors of any bias during the appraisal process, especially because of the following factors:

1. It is difficult to set measurable criteria for all positions – this is relatively easy in front-line offices where the employee has a direct contact with a customer and the work output is countable. As for the positions involved in policy-making, there is no criterion that evaluates the importance of the decision, or the quantity. For example, the performance of the internal audit cannot be judged by a quantifiable criterion, such as number of revealed flaws in the inspected organisation or number of elaborated recommendations.
2. It is difficult to set clear criteria for teamwork – when it comes to an individual appraisal of team members.
3. Personal growth is not defined as a criterion – whilst working in the same position for years should indicate that the employee needs development.
4. Despite that the criteria, as well as the appraisal models vary by ministries, the study shows that the distinction should rather be more standardised at a sectoral level, but more different and job-related on cross-departmental levels; for example, in all ministries similar appraisal models and criteria should be applied to the thematic departments involved in policy making, whilst different models should be used in supporting departments, such as legal, financial, administrative, internal audit and others, as well as front-line offices, directly providing public services to citizens.
5. Difficulties arise in defining the criteria for assessing personal features – it is unclear how to score points for social skills, communication, team-working, innovativeness and other skills, especially if the job is not about introducing innovation, but about precise execution of functions outlined in the job description.
6. In addition, the timely execution of the function in public organisations does not depend solely on the employee; in general, bureaucratic procedures concerning procurement, introduction of innovations, etc. in the public sector jeopardise the effectiveness of individual performance thus affecting the fairness of the appraisal.
7. Formalisation and “routinisation” of the process: in a regard, this threat persists; as the appraisal process has shown, there is a risk that the assessment will grow

into a boring routine, a time-consuming procedure, tempting to copy-paste results from year to year from previous appraisals; this risk can be mitigated by introducing monitoring of the personal development dynamics – by comparing previous and recent appraisal results and observing tendencies for improvement or downgrading.

### **Preferred Model of Performance Appraisal**

As for the preferred model, several components have been taken into account by the reformers from the 2017 survey, which has been positively emphasised by focus groups in 2019, such as the introduction of a self-evaluation component, the confidentiality of the appraisal process, the employees’ engagement in process planning and elaborating assessment criteria (regarding this component, the need for more proactive information meetings was underlined, to explain to the servants, and especially mid-level managers, the importance of their engagement), the clearly defined role of HR – both at the planning stage, as well as the process facilitation, and in making feedback constructive rather than punitive.

The components from the 2017 study that have not been considered, and which were underlined in 2019 focus groups again is the **ability to appraise a supervisor by an employee and the introduction of a peer evaluation component**. It should be noted that during the whole process of elaborating the performance appraisal system, individual field experts, as well as representatives of public organisations were pointing out the benefits of 360 degree evaluation; although the Civil Service Bureau set a clear position against it. The 2019 focus groups revealed that employee evaluation of a supervisor is very important to the impartiality of the process. It was pointed out that certain managerial competencies are better seen bottom up, such leadership and management skills, task assignment and ability to set goals. Besides, it is good for a manager to see the subordinate’s position, in order to improve his/her approach, relationships and communication.

## **5. Summary and Conclusion**

To summarise, it can be said that comparison of the focus groups results in 2019 with the previously conducted studies revealed both positive and negative attitudes towards the performance appraisal process implemented in 2018.

In general, the introduction of the performance appraisal system in public organisations definitely receives a positive evaluation. It implies an increase of individual motivation, the opening up of possibilities for professional development and needs identification, as well as clear separation of functions and responsibilities by job descriptions. Besides, properly established and practised performance appraisal leads to positive results on organisational levels: it enhances healthy competition amongst staff, increases the role of human resource managers in an organisational

setting; whilst on the sectoral level it increases the attractiveness of the sector for skilled and qualified personnel.

The negative aspects are 1) the lack of legal consequences of the performance appraisal results and their connection with career growth, which is a flaw, not only in the performance evaluation, but of the law as a whole; 2) regardless of the specifics of the departments, their functions and level of involvement in policy making processes, application of the same appraisal model to all departments within one organisation; 3) inconsistency of some components of the system, such as providing manager's feedback, monetary or non-monetary rewards, 4) threat of bias and dependency on the appraiser's personal will, and 5) the complicated bureaucratic character of the procedure and the risk of its routinisation.

The following recommendations are elaborated – the development and application of different models of performance appraisal at the cross-departmental, rather than the cross-organisational levels, the need to compare recent and previous appraisal results to observe the employee development dynamics annually and the introduction of career development mechanisms by the law, that take into account the results of the appraisal, which brings sense to the highest score.

## References

---

- ACT 2017, Baseline Assessment in the frames of UNDP PAR Project, Civil Servants' Survey, [https://www.ge.undp.org/content/dam/georgia/docs/publications/GE\\_UNDP%20PAR%20Civil%20Servants%20Survey.pdf](https://www.ge.undp.org/content/dam/georgia/docs/publications/GE_UNDP%20PAR%20Civil%20Servants%20Survey.pdf)
- Civil Service Bureau, 2018, Annual Report <http://csb.gov.ge/uploads/964872018.pdf>
- Georgian Young Lawyers' Association, 2016, Civil Servants Appraisal System: EU Member States and Georgia [https://gyla.ge/files/news/gamoceme-bi2012-2013/sajaro%20moxelis%20Sefasebis%20sistema\\_ge.pdf](https://gyla.ge/files/news/gamoceme-bi2012-2013/sajaro%20moxelis%20Sefasebis%20sistema_ge.pdf)
- Hood, C. (1991), A Public Management for All Seasons? Public Administration, vol. 69, No 1, pp 3–19.
- Staronova, K., 2017, Performance appraisal in the EU member states and the European Commission. Bratislava: Office of Government.
- Vries, M. and Nemeč, J., 2013, Public sector reform: an overview of recent literature and research on NPM and alternative paths, International Journal of Public Sector Management, Vol. 26 Iss 1 pp.4–16.
- UNDP 2018, Perception of Civil Servants on Performance Appraisal [https://www.ge.UNDP\\_GE\\_DG\\_PAR\\_Appraisal\\_Attitudes%2520Assesment.%25202018.pdf](https://www.ge.UNDP_GE_DG_PAR_Appraisal_Attitudes%2520Assesment.%25202018.pdf)



# Increasing Democratic Legitimacy of Elections and Referendums in Slovakia

*Martin Klus<sup>1</sup>, Juraj Nemeč<sup>2</sup>*

## Abstract

In the field of political sciences there is a general consensus that with increasing participation in elections and referendums, the level of democratic legitimacy also increases. However, theoretical concepts and also practical approaches towards this phenomenon deviate across the political systems of different nations. The most extreme ones encompass compulsory participation or multiple registration designs. The aim of this case study was to evaluate the level of democratic legitimacy of the European Parliament elections and referendums in Slovakia and to deliver policy recommendations. In both cases the participation of voters is too low to assure real legitimacy of these instruments. Based on the findings, international practice and also the personal experience of one of the authors, with a prominent position in the Slovak political scene, several recommendations are formulated in the final part of the text.

## Introduction

Participatory democracy emphasises the broad participation of constituents in the direction and operation of political systems (Zittel and Fuchs, 2007). However, political participation by citizens in modern democracies can be described as occasional and limited – this is also the case of the two main democratic pillars in Slovakia – referendums and European parliament (EU) elections. Eight referendums were carried out in Slovakia so far. From each of these, only one had the question: “Do you agree that Slovakia should become a member state of the European Union?” and has been validated with just a few votes over the minimum limit. In its

---

1 National Council of the Slovak Republic, Vice Chairman of the NCSR EU Affairs Committee, Slovak Republic, and Department of Political Science, Faculty of Philosophy and Arts, The University of Trnava, Slovak Republic.

2 Faculty of Economics and Administration, Masaryk University Brno, Brno, Czech Republic.

first(!) EU election, Slovakia achieved a negative record of 16.96 % turnout, which was indelibly written into European history. This low record number was again broken in 2014. Only 576 437 out of 4 414 433 eligible voters (13.05 % turnout) have found their way to the voting booths to decide who would represent Slovakia at EU level for the forthcoming five years.

The aim of this case study is to evaluate the level of democratic legitimacy of European Parliament elections and referendums in Slovakia and to deliver policy recommendations. The first part of the text introduces facts – it analyses the level of participation in referendums and EU elections in Slovakia. The following text tries to define possible reasons for the situation (lack of responsibility of the voters or lack of responsibility and accountability of politicians, delivering politics and not evidence-based policy making, improving the life of citizens, or other factors, or even all of the aforementioned) and especially discusses possible policy solutions.

## 1. National Background for a Referendum

---

Concerning the referendum, the state of affairs can be ascribed to Paragraph 1 Article 95 Section 2 of the Constitution of the Slovak Republic that states: “*A referendum shall be declared by the President of the Slovak Republic upon a petition submitted by at least 350,000 citizens, or upon a resolution of the National Council of the Slovak Republic within thirty days after acceptance of the petition of citizens or the resolution of the National Council of the Slovak Republic had been received*” and Paragraph 1 Article 98 Section 2, according to which: “*The results of a referendum shall be valid provided an absolute majority of eligible voters have participated and the issue has been decided by an absolute majority of votes*”.

Constitutional lawyers in Slovakia are not consistent on the interpretation regarding the binding force of a successful referendum. Paragraph 2, Article 98 Section 2 of the Constitution of the Slovak Republic states that: “*The National Council of the Slovak Republic shall promulgate the proposals adopted by a referendum as a law*”. This is in conflict with Paragraph 2, Article 73 Section 1 of the Constitution that defines a free mandate, bound by no orders and with Article 72 Section 1 on parliament’s legislative and constitutional exclusivity.

## 2. The History of Slovak Referendums and EU Elections

---

The first referendum in Slovakia was organised on 22<sup>nd</sup> October, 1994. Participation was only 19.96 % and the referendum was invalid. The question was whether people agreed with passing the law on transparency of resources used in privatisation. The referendum was proposed by the National Council of the Slovak republic.

The second referendum in Slovakia was organised on 23–24 May, 1997 and represents a clear example of political interference in the referendum process (di-

rect democracy). The participation was only 9.53 % and the referendum was invalid. Most voices argue that the core purpose for extremely low participation was the manipulation of the contents of the referendum by the Minister of Interior, Gustav Krajci. Four questions were approved for the referendum, but only three of them were printed on the voting papers. The question which was omitted dealt with the direct election of the President (other questions were connected to NATO membership issues). This question was proposed by petition (remaining three questions by the Parliament). This case is still under investigation by the police.

The third referendum was organised on 25–26 September, 1998. Participation was 44.25 % and the referendum was again invalid. The question concerned the privatisation of the main enterprise in the energy sector. The referendum was initiated by the petition and organised by one of the parties in Parliament (HZDS) and was organised together with Parliamentary elections.

The fourth referendum was organised on 11<sup>th</sup> November, 2000. Participation was 20.03 % and the referendum was, once more, invalid. The question concerned parliamentary election rules. The referendum was initiated by a petition organised by two political parties (HZDS and SNS).

The fifth and only valid Slovak referendum was organised on 16–17 May, 2003. Participation was 52.15 %, just marginally above the threshold and 92.46 % of voters said yes to Slovak EU membership. This referendum was initiated by Parliament.

The sixth referendum was organised on 3<sup>rd</sup> April, 2004. Participation was 35.86 % and the referendum was invalid. The question concerned parliamentary election rules (shortening the current election period). The referendum was initiated by a petition organised by trade unions and was organised together with Presidential elections.

The seventh referendum was organised on 18<sup>th</sup> September, 2010. Participation was 22.84 % and the referendum was invalid. The referendum included six different questions (TV fees, immunity of MPs, reducing the number of MPs, limiting the price of cars used by administrative offices, e-elections and the right to respond for politicians) proposed by the opposition parties. The referendum was initiated by a petition organised by the citizens' initiative. The specific issue in this referendum was the fact that top-level government officials publicly tried to indirectly persuade citizens not to participate in the referendum and consequently in the administration of public affairs.

The last referendum was organised on 7<sup>th</sup> February, 2015. Participation was 21.41 % and the referendum was invalid. It included three questions connected to minority rights and was initiated by a petition organised by the non-governmental organisation "Aliancia za rodinu". The referendum was considered to be a "Family" referendum and could not deliver the necessary turnout, even after an extremely whipped up mobilisation campaign.

Slovak citizens had the right to participate in four elections to the European parliament. In all cases the turn-out was the lowest of all EU member countries – with a minimum 13.05 % in 2014 and maximum 22.74 % in 2018.

The examples of referendums and European Parliament elections shed light both on the issues regarding theoretical concepts and the practical approaches of the political spectrum. They also deal with issues directly linked to democratic legitimacy. A decrease, or even better, a stagnation of interest in public affairs, which translates into a specific election turnout, draws minimal attention from the political elite in Slovakia. We have even witnessed the efforts of a major state official to persuade voters not to participate<sup>3</sup>. Officials even try to downplay the issue at hand or at least block any changes that could provide a systematic solution.

### **3. Possible Responses and Solutions**

---

#### **Referendum**

The technical issue is to deal with contradictory constitutional articles, mentioned in the national background portion. If Slovak political elites hold the ambition to increase political legitimacy of approved decisions by referendum, it is necessary to consider a major shift in the aforementioned constitutional articles. Otherwise, the institution of a referendum would remain ineffective in the Slovak political system. In addition, it will remain a pointless drain on public finances or become a means for partisan visibility or an instrument of fear. Slovak political scientists, lawyers and many politicians agree that it is necessary to update the constitution with references that specify the binding power of referendum results (one option mentioned is to explicitly designate referendum power only as facultative; the other option is to enumerate and define all referendum forms and their realisation requirements as in Switzerland). In addition to the constitutional changes mentioned, several other adjustments should be discussed.

The core issue to evaluate is the removal of the clause defining that the referendum is valid on condition that an absolute majority of eligible voters take part. Such a change should boost the general interest in public affairs and, consecutively, civic participation. For example, such a change would motivate those who are against any presented proposal to take part in a referendum in order to avert it. Moreover, it would eliminate absurd situations of voting procrastination. It would also remove those hardly understandable situations witnessed in 2010 and mentioned above. The change would also be in line with the constitutional practice of advanced Western democracies (such as France, Denmark, Switzerland, Ireland, etc.) – the referendum rules remove the clauses that use minimal turnout to block a referendum's validity.

---

3 <https://www.noviny.sk/slovensko/83891-referendum-2010-gasparovic-predsa-prisiel>

The quorum cancellation is one option, but insufficient to increase the democratic legitimacy of the Slovak referendum democracy. There are also other factors which mean citizens avoid active participation.

One limiting factor is the petition threshold requirement in order to declare a referendum. The current threshold of 350,000 signatures for the declaration of a nationwide referendum is excessively high in comparison to other countries and their populations.

Opponents to these changes may argue that low turnout could lead to a minority over majority rule – but the practice of what is already happening in other countries shows the low validity of such an argument. In reality, the requirement of minimal 50% turnout does not deliver definite “Pareto improvements” (see for example Stiglitz, 1987) and does not assure “democratic majority voting”. Let us imagine a situation with an exact 50% + 1 turnout of eligible voters in which 25% + 1 would vote in favour and the remaining 25% against. Such a referendum would be valid and one quarter of voters would legally take control of the remaining three-quarters. One can only rightfully ask why those 25% eligible voters would vote, when it is simply more comfortable to stay at home. If a referendum’s validity depends on turnout, absent voters may decide its results. This direly antagonizes the vote equality principle vested in the Constitution of the Slovak Republic.

The abuse of referendums for political, religious or ideological goals by various groups is not a “myth”, but a common problem in all countries where the institution of referendums is being employed (have a look at the current UK situation). Therefore, there is no reason to render it non-functional by imposing a turnout quorum for validity. On the contrary, it is important to design theoretical concepts and practical initiatives that could bring the institution of referendums closer to citizens and their interests.

The specific technical aspects of referendums should also be reflected in further discussion – especially with regard to time limits for collecting petition signatures and adding obligatory information on petition sheets to avoid forgery.

Finally, there is the argument regarding finances that assumes the less referendums, the better. Yet, democracy is not a low-cost show and whilst parliamentary, EP, regional, municipal, even government, mayoral or presidential elections hardly deal with taxpayers’ money, in terms of referendums this proves to be the same. Moreover, a simple solution to cut costs exists: The question is, why not merge them? Why wouldn’t it be possible to merge the date of a referendum and any elections together by law? In this way, citizens would receive an extra voting card with the referendum proposal and it would cost nothing extra, except the printing cost of referendum voting cards. Moreover, merging referendums with elections seems to increase participation as the data above show.

The referendum rules should also be amended at local and regional level, where this instrument can be used for several reasons. Because of the fragmented settlement structure in Slovakia (Klimovský, 2015) we would advocate the immediate decrease in petition thresholds needs, for example:

- municipalities with a population under 1,000 citizens would remain without change, at a petition threshold of 30 % eligible voters,
- municipalities between 1000 and 10 000 citizens would have the threshold decreased to 20 % of eligible voters,
- in municipalities with a population of over 10 000 citizens it is crucial to lower the threshold to 10 % of eligible voters,
- for self-governing regions the petition threshold should be lowered to 10 % from the current 30 % of eligible voters.

### **European Parliament Elections**

As indicated above, Slovakia is the country with lowest level of participation in EU elections. This “dark European achievement” should provide motivation to political elites to deliberate, not only on the very electoral system, but also on the respective factors that shape it. There is a lack of studies analysing the reasons for the so low level of participation of Slovak voters in EU elections, but some arguments could be found in academic and popular studies.

Probably the most frequently mentioned argument is that Slovak citizens do not understand the importance of our EU membership, benefits derived from this memberships and do not believe that Slovak Members of the European Parliament (MEP) can influence political decision-making at EU level. For sure, this issue should be addressed (addressed better than it is today).

One specific option is much better personalisation of MEP candidates and their roles in the EU Parliament. With effective information, a direct vote across the political spectrum may have the potential to improve the situation. In practice, it would, for example, imply that voters could vote for 2 candidates from 2 different lists or one non-partisan list. MEPs also could be chosen according to their number of preferential votes. Such a simple, but extraordinary effective change would not only make the political campaign more competitive due to the same starting line for all runners, but it would enable the whole election to be more publicly attractive both to citizens and to candidates. It would establish a struggle of personal ideals and manifestos, not only partisan ones. Another broader discussion entails the possibility of assigning more than 2 preferential votes or even copying the parliamentary election by assigning 4. It could also mean a revision of non-partisan candidate list selection. The latter could be assembled through the delivery of petition sheets of at least 5000 signatures (which represents 1/3<sup>rd</sup> of signatures required for a presidential nomination and ½ of the signatures required to start a political party) for

each potential candidate together with a deposit of 5000 EUR (almost 1/3 needed for partisan participation in general elections). If the non-partisan candidate attains the set number (let us say minimum 5 %) of all votes given to all non-partisan candidates, he or she receives the deposit back.

Modern citizenship currently takes place in a globalising world. This assumes the option to vote for our representatives without any concern to our actual whereabouts. Low turnout in European Parliament elections can also be partly ascribed to short-term and long-term departures of Slovak citizens. Work, family, distance and other reasons prevent them from exercising their right to vote. The irony is that global and European topics are often more important for citizens abroad than for those at home. They can vote by post in general elections and referendums, but in the European Parliament, presidential and in municipal elections this option is not implemented through Slovak legislation. Furthermore, this option is demanding on the administration and also postage can be discouraging. Especially for large families the cost would be 10 EUR and more for each vote. Therefore, the early vote option, voting at consulates and embassies or electronic voting could be a solution. All these proposals receive special attention at the end of this study. Interestingly, the demand to vote from abroad has increased relatively quickly. In 2006, only 3,427 voters took part in this pivotal opportunity, whilst in 2016, it was 17,278 voters. Hypothetically, if the same amount had voted in the 2014 European Parliament elections, the turnout of 560,603 would have increased by 3.08 %, which is not negligible.

The fact that European Parliament elections and presidential elections in the Slovak Republic overlay by the term and length of the mandate is considered a unique opportunity. We could merge them not only by date, but also by the functioning of electoral committees. This step would have an incredibly positive impact on the turnout and conservation of public finances. The legislative change would encompass passing a binding mechanism that would bind the President of the National Council of the Slovak Republic to declare both elections on the same date. In theory, this could already have been done in 2014, as President Andrej Kiska swore his oath on June 15<sup>th</sup>, three weeks after the European Parliament elections. This was the same for the newly-elected President, Zuzana Čaputová.

Election dates could also be rescheduled to a working day, maybe with the possibility of having paid leave for the rest of the day. The Czech Republic has two-day elections, which also happened in Slovakia. This also brings extensive costs to public finances and (according to the main opinion) does not significantly improve participation. Changing Election Day from Saturday to Friday may be a solution (to compensate employers, the free day of elections could be compensated by the cancellation of one national day).

The last, but not the least, issue to be discussed is e-voting. For example, since 2005, Estonia has used electronic voting, as a secure and incontestable instrument.

However, an absolute majority of democratic countries, including Slovakia, does not consider this to be an option. One of the possible concerns is the abuse of such a system. Another concern is that this state of affairs is convenient for conservative politicians and political parties, albeit the high IT literacy of the general populace and also for political parties supported by the older generation. For example, the former Minister of the Interior, Robert Kaliňák, representing the socio-democratic party SMER in 2015, stated that Slovaks are conservative and like “their goods bought in the old-fashioned store” (at the same time 70 % of Slovaks utilised e-shops when shopping). Of course, one of the important arguments to bear in mind is security, especially in an environment of ongoing hybrid warfare and permanent threat of cyber attacks. Therefore, there might be loose ends to tie up in the implementation. However, if there are almost 30 countries using electronic or internet voting, to some extent, and we are able to submit electronic declarations of taxes, and fill in credit card credentials, the fear of some politicians regarding electronic voting seems questionable.

## Conclusions

---

The aim of this study was to evaluate the level of democratic legitimacy of European Parliament elections and referendums in Slovakia and to deliver policy recommendations. The text proves that instruments providing a meaningful increase of democratic legitimacy exist, but may collide with multiple practical obstacles.

Theoretical concepts and practical discussions tackling the increase of democratic legitimacy, particularly through increased participation in elections and referendums, is one part of the picture. However, the core is the practical approach of political parties and political elites in the delivery of public policies and, particularly, in passing the above discussed changes. The case of heterogenic coalition formations, typical in Slovakia, but also in many other countries recently, causes important changes in policy making processes. The rule in such an environment is to push own coalition initiatives and to block any proposal from the opposition. The series of failed efforts of the opposition within the National Council of the Slovak Republic during the years 2016–2019, also in connection to liberalising voting from abroad and merging presidential elections with European Parliament elections, is a valid example.

Implementation of some of the proposed change instruments might be possible in the short-term. However, because only practice would show us how efficient the proposed changes are (foreign experience may but must not help), it is recommended to first thoroughly test the above mentioned changes. Again, this has to be done in collaboration with scholars employing their theoretical concepts, as well as with politicians and representatives of civic society.

From a political practice perspective it is important to address such legislative initiatives, not in one tidal wave, but consistently. This means a step-by-step approach in the implementation of changes that are acceptable for the broadest array of parliamentary political parties, which are able to pass these changes through.

## References

---

- The Constitution of the Slovak Republic*. Bratislava: Office of the National Council of the Slovak Republic.
- Klimovský, D. (2015) Slovakia as Decentralization Champion: Reality or Myth? *Regions: The Voice of the Membership*. 298(2), pp. 14–16.
- Stiglitz, J. E. (2000). *Economics of the Public Sector*. New York: W. W. Norton.
- Zittel, Thomas & Fuchs, Dieter. (2007). *Participatory Democracy and Political Participation. Can Participatory Engineering bring Citizens back in?* London: Routledge 2007.
- Web pages of Slovak media.



# E-government and Digitalisation of Core Administrative Services for Citizens in Selected CEE Countries

*David Špaček<sup>1</sup>, Mihály Csótó<sup>2</sup>, Nicolae Urs<sup>3</sup>*

## 1. Introduction

Improved service delivery (services are easier to use, more convenient, of better quality etc.) has been perceived as one of the key goals of e-government initiatives, next to the improvement of government business processes (increase in internal efficiency, better information sharing, inter-operation, innovativeness, better decision-making, greater transparency and accountability, and greater proximity to citizens) (e.g. Zhao, Shen and Collier, 2014). Much has been heard about citizen-centricity in e-government definitions and programmes, but has e-government actually developed in a citizen-centric way, and can the e-government be citizen-centred if it does not focus on core administrative services for citizens?

This chapter presents the findings of a pilot research that focused on the question “To what extent are core administrative services for citizens digitalised in the Czech Republic, Hungary and Romania?” Due to the specifics of public administration in transition countries, as depicted, for instance, in the literature on the Neo-Weberian state (post-communist states may not be strong enough, the political context is unstable with unfinished reform attempts, insufficient competences in PA etc. – see for example Randma-Liiv, 2008) and literature summarising developments of administrative reforms in this region (e.g. Kovač and Bileišis, 2017; Ropret and Aristovnik, 2019), researching e-government in the CEE countries is very relevant. As Schuppan (2007) emphasised earlier with regard to developing countries,

---

1 Faculty of Economics and Administration, Masaryk University, Brno, Czech Republic.

2 Institute for Research and Development on State and Governance, National University of Public Service, Budapest, Hungary.

3 Department of Public Administration and Management, Babes-Bolyai University, Cluj-Napoca, Romania.

a context-oriented approach seems to be a more promising route to the successful implementation of e-government than following a western perspective.

Still today, literature on e-government developments in the CEE region is fragmented and no recent synthetic research on e-government progress in the CEE context has been published. Some findings have been published in available benchmarking studies (such as those prepared by Capgemini for the European Commission – e.g. Tinholt et al., 2018), but countries are usually not grouped according to their geographical location in benchmarking reports, but according to their developments in e-gov areas differentiated for a method that is used in benchmarking. They also do not often deal with digitalisation of services that are most frequently used by citizens. Sometimes, they focus only on a selected city or group of cities, which does not allow obtaining a more complex picture about what is going on and why.

Focus on the core administrative services for citizens is also relevant for another reason. Available benchmarking studies indicate that during e-government development, attention has been paid mainly to digitalisation of public services for businesses in many countries. On the other hand, there are countries (such as Denmark) that recently refocused their e-government strategies on core public services that may represent a more demand-oriented approach in designing e-government policy and in e-government development. Focusing on core PA services is also in compliance with requirements of the EU e-government plans to develop e-government in a more rational and effective way.

The following text in this chapter is organised as follows: First it summarises what can be found on e-government and core administrative services in literature. Second, it outlines the e-gov development in the three countries. Then the method and findings are presented and commented and the chapter concludes with final points on the three countries.

## **2. E-government and Core Administrative Services for Citizens**

---

Broadly defined, e-government is about the implementation of information and communication technologies (ICT) in and around public administration (Homburg, 2008). It encompasses all government roles and activities, shaped by ICT (Brown, 2005). E-government has become a global phenomenon (Schuppan, 2009) and its initiatives of varying scope and complexity have been implemented at the municipal and other levels of government throughout the world (Rose and Grant, 2010), yielding various values (Twizeyimana and Andersson, 2019). Governments have invested heavily in e-government, because of the suggestion that the use of ICT provides efficient and quality governmental services to citizens, employees,

businesses and agencies, and increases the convenience and accessibility of government services and information (Angelopoulos, Kitsios and Papadopoulos, 2010).

Although e-government policies and projects have always been ambitious, gaps between the revolutionary potential of ICT (e-government hype) and evolutionary reality, as well as barriers to e-government development and diffusion have repeatedly been identified (e.g. Heeks, 2006; Garson, 2006; Rana, Dwivedi and Williams, 2013; Müller and Skau, 2015).

Even though there has been an increase in the number of e-government researches and articles, according to available studies (among the most recent, e.g. Gil-Garcia, Dawes and Pardo, 2018), little is still known about the digitalisation of core administrative services for citizens in developed as well as other (developing or in transition) countries. Moreover, it is rather surprising that there is, as far as we know, no research that would discuss the maturity of administrative services that are most commonly used by citizens. Partly, this was done earlier during the benchmarking of e-Europe initiatives for which a list of 20 public services was used (European Commission, 2001), but this list did not contain some services that are used by citizens most frequently – especially those related to local authorities (such as services related to waste disposal or paying local taxes and fees, applications for childcare etc.). Although the e-gov benchmarking method has developed, it now considers the core services even less than before (see van der Linden et al., 2017).

### **3. Strategies and Main National e-gov Projects in the Czech Republic, Hungary and Romania**

---

The 2017's and 2018's e-gov benchmarking reports for the European Commission considered the Czech Republic and Hungary as countries with non-consolidated e-government and not benefitting from ICT opportunities. It was recommended to improve digitalisation and penetration by digitising front-and back office and encouraging citizens to use e-gov services. According to the reports, Romania especially is a country with unexploited e-government. Its level of digitalisation is below the EU average (Tinholt et al., 2018).

#### **3.1 Czech Republic**

National policies on e-government have been developing mainly since 1999 when the first State Information Policy was approved. The plans foresaw the establishment of a national public administration portal, the consolidation and interconnection of basic registers, and the establishment of contact points for citizens that were usually considered as top priorities influencing further e-government development.

The first general law on public administration information systems was passed in 2000 (Act No. 365/2000 Coll.). It attempted to improve interoperability and fa-

facilitate the integration of existing information systems and better e-government management on the level of individual organisations and also on the national level.

E-government has also been a priority in the last two broad PA reform strategies (the Smart Administration strategy and the current Strategic framework for the 2014–2020 period). Both have been supplemented by strategies on development of e-gov services. In 2018, a new programme called Digital Czechia was approved for more coordinated and complex digitalisation in the period 2018+ further elaborating the e-government priorities specified in the Strategic Framework for developments in PA in the period 2014–2020.

The plans were partially implemented (Špaček, 2019). For instance, the Czech POINT project is often perceived as a successful e-government project. Its full practice was launched in 2008 and since then a network of contact points and Czech POINT services have emerged. It offers mainly the issuing of authenticated extracts from some registers, intermediation of some submissions (e.g. to the Trades Licensing Act), conversion of paper documents into authorised electronic versions and vice versa, and intermediate identification. But Czech POINT still represents mainly a network of physical terminals that provide Czech POINT reception services mostly during office hours of public authorities. Data boxes represent another project that is considered to be successful. From July 1, 2009 onwards, all public authorities are obliged to communicate electronically with each other, with certain private sector entities and with individuals, by using official data boxes. The communication through data boxes is now compulsory, mainly in interactions between public authorities and between public authorities and corporate bodies which are registered in the Commercial Register. Czech e-Government practice was partly dependent on the effectiveness of legislation on basic registers. The necessary legislation (Act on basic registers no. 111/2009) came into force rather late – since 30.6.2012.

A national public administration portal ([portal.gov.cz](http://portal.gov.cz)) was launched in September 2003 and some transactional services were made accessible later, following new legal duties imposed on businesses (e.g. electronic submission of sheets for pension insurance). Submissions for tax administration (VAT, income taxes, road taxes and property taxes) and customs administration (submissions of statistical data on movement of goods within the EU) were made accessible through the national portal. The Ministry of Transport organised electronic tests for driving licences. However, since autumn 2011, the transactional part of the portal was reduced and the portal offered mainly information. Former transactional services existed on websites organised by their providing ministries and central authorities. This led to rather fragmented and silo-based (department-centred) practices of e-gov service delivery. Improvement can be seen especially in 2018 when a Citizen Portal (<https://obcan.portal.gov.cz>) was launched (officially it was launched on 7 August 2018). Citizens can access the portal through their authorisation into the data boxes

system or through e-identity. The “Digital by default” principle has been applied particularly in case of e-services for businesses and, also, in case of communication between public authorities.

### **3.2 Hungary**

In Hungary, the first wave of significant e-Government developments can be traced back to the first half of the 2000's. The first eGovernment portal of the country, *Magyarorszag.hu* was launched in 2003. Basically, it was (and still is) an institutional portal and also a services catalogue. In 2005, a transactional gateway (‘Client Gate’) was launched, which allows the secure identification of the users online through the portal. As Borovitz et al. (2007) put it, Hungary achieved significant results in international benchmarking in developing those first e-government client-side services (they are citing the European E-government Benchmark, where Hungary made the biggest progress in 2006, moving from 23<sup>rd</sup> to 14<sup>th</sup> in the European rankings). In the second half of the decade, plans and projects emerged to create (amongst others) an e-Government Framework and to establish digitalisation of back office procedures. However, during the economic recession these developments were not a priority.

After the elections in 2010, the government set a new path of development, together with a structural reform programme focusing on the renewal of territorial public administration. A key objective of the reform was to build a system of client-focused public administration which resulted in the establishment of governmental integrated one-stop-shop customer service centres called Government Windows (*Kormányablak*). The main aim was to increase the efficiency of service provision by means of achieving economies of scale and also to ensure that service standards are uniform across service areas and geographical regions and to improve the client/customer oriented character of administrative services. Clients may submit several types of applications at the same time and place, which previously should have been submitted to different authorities. Currently there are about 300 Government Windows on county and lower district level.

Almost parallel with the public administration reform above, a new concept of e-Government emerged: central, technology neutral, functional building blocks have been being developed (“regulated electronic administrative services”, *SZEÜSZ* in Hungarian) that can be used to build electronic procedures, providing the digital equivalent of traditional services and procedures end-to-end. The development of these basic services is still under way, but many of them are ready – e.g. the Central Authentication Agent launched at the beginning of 2016 as a central identification solution, or *SZEÜSZ* – the e-payment solution called *EFER* (Electronic Payment and Accounting System).

In 2015, the comprehensive e-Government law (Act No. CCXXII. on general rules of electronic administration and trust services) has been adopted. The Act sets out the general rules of electronic administration, the relationship between the

citizen and the public administration bodies providing e-administration services and many more areas (interoperability rules, e-IDAS implementation, rules on authenticity of electronic and paper-based documents). The Act was rolled out over a two-year period, and an implementing decree was adopted during this period, including the detailed set of rules on e-Administration, also in terms of the regulated electronic administration services mentioned earlier. The e-Administration Act entered into force on 1 January 2018 and obliges most public administration bodies and some other institutions (e.g. courts) to provide electronic channels and services (where personal appearance is not required by law). Citizens can choose whether they want to contact public administration by electronic means or face-to-face. For business organisations, the use of online services is mandatory, as they can access their digital mailbox for official communications (Company Gate, somewhat the business equivalent of the Client Gate for citizens) with public administration bodies. The e-Administration Act also states that the public administration bodies are considered to be cooperating bodies. This means they have the right to obtain data and information already available or collected by another cooperating body.

A new, customisable electronic administration user interface (“personal administration space”, known as SZÜF) has been launched in January 2018. It aims to replace the former magyarorszag.hu portal as the main public administration portal of Hungary in the future. The e-Administration Act prescribes that public administration bodies are obliged to publish their electronic services on the SZÜF. The portal supports this process with a content management solution for the connected administration bodies, and a built-in online form editing and management system. Clients can use the portal after identification (through the Central Authentication Agent), accessing their personal digital post-box and features such as a personal calendar. However, the replacement of the old portal is a slow process as public administration bodies are still connecting to the SZÜF, and parallel portals are sometimes confusing for the clients.

### 3.3 Romania

The first phase began just after communism fell, in 1989. Based on the relatively well-organised (for that time and for Eastern Europe) IT infrastructure, legislation was created to offer public institutions the legal tools for implementing digitalisation projects, mainly in the back-office.

In the 2000s, Romania was preparing for entering the European Union, so it tried to put in practice the EU recommendations and the required conditionalities. After 2007, the goals of Romania’s e-government development (as glimpsed from the available strategic documents) adhered very closely to and were correlated with those of the European Commission.

At the strategy level, the current document is ‘The National Strategy for Digital Agenda’. It closely follows the objectives and targets stipulated in the EU Digital

Agenda 2020. The last version of this document was approved in 2015 (Government decision 245/2015). In it, the Romanian Government is planning a series of measures to catch-up with other central and eastern European countries, with the specific aim of helping economic development.

Despite assistance from multiple international institutions and organisations (the EU, The World Bank, and USTDA), the development of Romania's electronic government and digitalisation in general is behind schedule. The vast majority of objectives written in the aforementioned strategic document are not yet implemented. For example, the Romanian Government enumerated 15 actions for the development of electronic government. None is fully implemented, and most of them do not show any progress whatsoever. It also stipulated 36 life events that should be realised as online services (from birth to enrolling in a library), but their implementation is also behind schedule.

The e-ID project was initially planned for 2011. From then it went through a number of iterations, all of them unsuccessful. The last version of a law essential for implementing a Romanian e-ID (that can be issued coupled with an electronic signature) has been languishing in Parliament since 2017. The Romanian interoperability framework was approved in December 2017 (Government Decision 908/2017), but from that date a small number of projects based on it took form. The development of national registries is at an early stage; the task is made harder by the gradual decentralisation of Romanian public institutions (Romania is a centralised state, but in the last 10–15 years it undertook a process of power devolution towards local authorities). The standardisation necessary for interconnecting different databases and for facilitating data exchange between public institutions is also at an early phase. Coordination of e-government was determined by frequent changes in bodies in charge with creating and implementing an overreaching digitalisation strategy.

## **4. Digitalisation of Core Administrative Services in the Three Countries**

---

### **4.1 Method**

In practical approaches to e-government evaluation, great potential was attributed to benchmarking. E-Government benchmarking means undertaking a review of comparative performance of e-government between nations or agencies (Heeks, 2006). For the purposes of e-government benchmarking (international or intra-national), various sophistication/maturity/stage models of e-government have been developed and discussed. Following the concept of maturity measurement as published by the Software Engineering Institute (SEI), they usually assess implemen-

tation of e-gov as an evolutionary process and represent a desired evolution path (Laposa, 2017).

For our research, we prepared a simple method, summarised in Table 1 below. When preparing it, we considered the early models (Layne and Lee, 2001; Andersen and Henriksen, 2006), their revisions (Lee, 2010) as well as evaluation, meta-analyses and syntheses published recently (Zahran et al., 2015; Almuftah, Weerakkody and Sivarajah, 2016; Das, Singh and Joseph, 2017; Meyerhoff Nielsen, 2017). Following criticism on the available maturity models (as summarised, for instance, by Meyerhoff Nielsen, 2017), we prepared a framework for comparing user-centricity of digitisation of core administrative services. We did not want to reject the more complex stage models that are available, but we believe that not all of them are suited to the assessment of all public services and the level of digitisation from a user-centric perspective. For instance, we think that maturity models should be adapted more to individual types of public services and concentrate more on their components. This is not done in some maturity models, because they were constructed especially for the evaluation of portals. Also, e-participation services that are sometimes required in the highest maturity levels should be clearly separated from services that allow applications for certificates etc. Some models require the transformation of processes in their higher stages, but in practice, integration of existing processes may not always mean that they are actually transformed (in terms of reorganisations of existing administrative system etc.). Some portals seem to be one-stop-shops, but the real processes behind may be different. For e-gov users it is not important to understand the level of integration behind e-gov services. Building a benchmarking method on different levels of integration of back-offices may bring about a model that somehow lacks in user-centricity.

For the evaluation we used a scale from 0 to 8 points. Based on individual scores we then constructed a national composite score which is purely informative – it is better to compare individual services and discuss their level of digitisation in a comparative perspective, rather than to deal with overall scores. The method was prepared for a pilot research which was purely qualitative and we anticipate its further development for better reflecting on the situation in comparisons between countries.

**Table 1**  
Types of web-presence and scoring in our approach

<b>Types of web-presence</b>	<b>Description</b>	<b>Potential score</b>
No e-presence	No relevant services are available online at all.	0
Simple e-informing	Simple web presence (web pages/portal) with one-direction information (here adaptation to mobile technologies can be checked in order to cover current developments in technologies used for accessing information of public administration)	0.1–2
Simple e-transactioning	Some interactions are available (e.g. it is possible to download a form, or fill in a form online), but full transaction (such as authenticated submission of the form) is not enabled (forms can be downloaded, but cannot be filled-in using the platform)	2.1–4
Advanced e-transactioning	Transaction is enabled and a user can complete the procedure online (full online transactions are available on the platform; user can authenticate him/herself, fill-in a form and submit it completely online).	4.1–6
More seamless e-transactioning	There is a higher level of facilitation of digital interaction between citizens and their government compared to the previous type of web-presence. In comparison to the previous stage, tools are available that further support seamless features of the e-service for users; at this stage, more complex online services are available (e.g. thanks to more complex and ergonomic tools incorporating information regarding steps and length of the process, possibility to save a draft, store documents, personalisation, responsive sites or platforms, reducing number of fields required to be filled-in thanks to data sharing and tools for recognition of the user and application of the once-only principle).	6.1–8

We have not found any list containing core administrative services for citizens that could be subjected to evaluation of their online sophistication. This raises questions about the real level of citizen-centric development of e-government. Neither in the PA/PM, is a list with public services that are most frequently used by citizens available. For our research we prepared a pilot list of the following 10 services we consider important for citizens (building on a hypothesis that they are high-impacted administrative services, i.e. used by a comparatively high number of citizens; we do not want to concentrate on services for businesses and other organisations, such as NGOs):

1. obtaining new IDs and travel documents;
2. registering a new address
3. obtaining/changing a driving licence;
4. registering a car
5. solving waste disposal

6. paying local taxes and fees (including water supply)
7. paying for local transport (this may not be available in smaller cities and towns)
8. making submissions to local administration (e.g. complaints, petitions etc.)
9. participation in local decision-making (including participatory budgeting as an emerging tool experienced on the local level)
10. application for childcare (for a kindergarten/primary school)

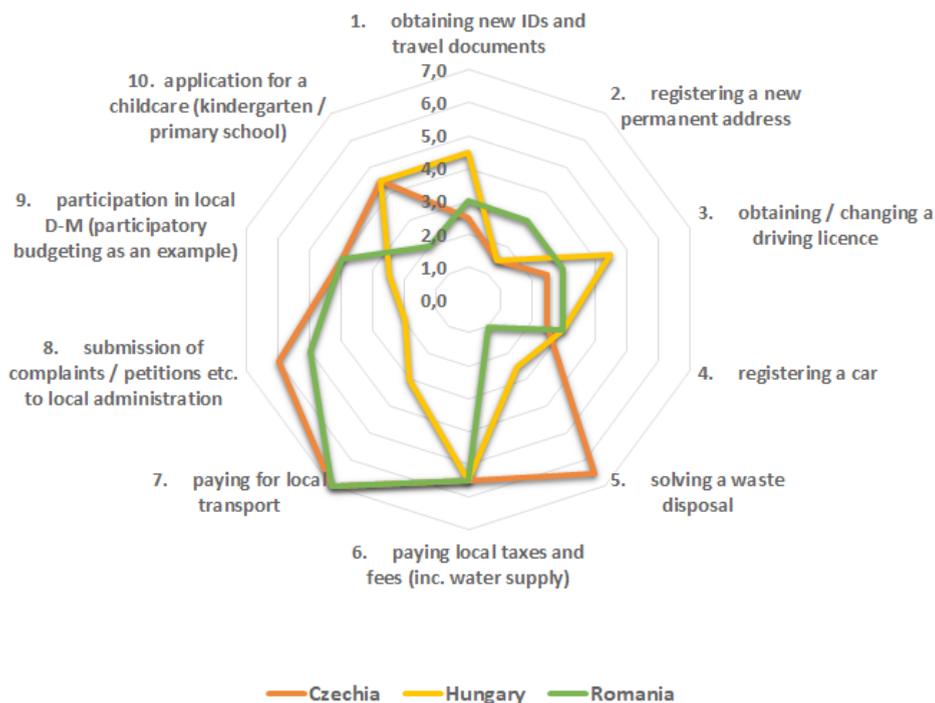
The list combines national as well as local services which may determine the level of digitisation of their delivery (including the situation on existing means of authentication etc.). Within the e-Government Benchmarking for the European Commission, only part of these services are benchmarked – Losing and Finding a Job (Employment), Studying (Education), Starting a small claims procedure (Justice), Moving (General Administration), Owning and driving a car (Transport) and Family life (2016+) (Tinholt et al., 2017). Still, the benchmarking does not always deal with services that can be considered as core. Individual life events, that are benchmarked, consider indicators that are not always the most relevant.

**Table 2**  
Digitalisation of the core administrative services in Czechia, Hungary and Romania (scores)

Services	Score given		
	CZ	HU	RO
1. obtaining new IDs and travel documents	2,5	4,5	3
2. registering a new permanent address	1.5	1,5	3
3. obtaining/changing a driving licence	2,5	4,5	3
4. registering a car	2.5	3	3
5. solving a waste disposal	6.5	2,5	1
6. paying local taxes and fees	5.5	5,5	5.5
7. paying for local transport	7	3	7
8. Submissions to local administration	6	2	5
9. participation in local D-M	4	2,5	4
10. application for a childcare	4.5	4,5	2
<b>National score (out of 80)</b>	<b>42.5 (53%)</b>	<b>33.5 (42%)</b>	<b>36.5 (46%)</b>

**Figure 1**

Digitalisation of the core administrative services for citizens in the three countries  
(scores graphically)



We chose not to focus on services for businesses and other organisations (such as NGOs). The selection criteria on the one hand is based on frequency of usage and, on the other hand, also gives more emphasis to local (government) services which are sometimes used on a daily basis compared to public administration services that are sometimes not, or only rarely used by citizens (e.g. income taxes can be arranged by employers for them, applications for building permission may be solved by developers, enrolment in higher education or services related to losing and finding a job may also not be relevant for all citizens).

As the main data source, particularly information on life events and services related to our core services, were checked on national portals of web pages of local authorities personally by individual authors in their countries. For services provided by local authorities, services and web pages of 3 largest cities were considered.

## 4.2 Findings

Our findings are summarised in Table 2 and Figure 1. They clearly indicate a mixed situation. In overall terms the digitisation of the services is low and in most cases does not exceed simple e-transactioning. In most cases, some interactions are available online (e.g. it is possible to download a form, or fill in a form online), but full transaction (such as authenticated submission of the form) is usually not enabled in the vast majority of cases of our core administrative services (forms can be downloaded, but cannot be filled in using the platform. Only in the case of some services, the countries scored higher – this was the case for local rather than national services. Usually, services related to paying local taxes, making submissions to local administration score highest. Our findings indicate that although it has often been emphasised that e-gov should be citizen-centred, the supply of electronic administrative services for citizens is not.

In the following text we comment more on findings about individual core services in the three countries which were reflected in scores given to digitalisation of individual services:

1. In all countries, *obtaining new IDs and travel documents* is seen as a national service. In none of the countries a complete e-transaction is possible and a personal visit is still required. In the case of CZ, only information describing the service and related requirements is available on the national portal. No components for simple e-transactioning are available (such as downloadable forms), but applications are prepared on the spot by civil servants. In some cities, appointments can be arranged online. In HU, appointments can be made online through the Governmental Window, but a physical visit at a responsible public authority is still necessary. There are no downloadable forms, but civil servants create the application forms (and pictures) on the spot, similar to CZ. Some passport related services (replacement of stolen, lost or damaged documents) can be provided fully online and the production status can be tracked. In RO, appointments for travel documents can be made online. For IDs, it varies between cities, including payments for the service. Downloadable forms for obtaining IDs and travel documents are available in most municipalities.
2. *Registering a new permanent address* is a national service in CZ and HU and a local service in RO. In CZ and HU, personal visits to responsible authorities are required and no tools for simple e-transactions are available. In RO the situation varies between cities. Some enable online appointments or paying the fee possible and downloadable forms are available in most municipalities.
3. *Obtaining or changing a driving licence* is a national service in all countries and the situation is similar to digitisation of services related to obtaining new IDs or travel documents.

4. Also, *registering a car* is a national service in all countries. In all the countries the Czechia situation is similar to the first service. Downloadable forms are available in CZ and RO. In HU, applications can be submitted and fees can be paid in the Governmental Window.
5. In CZ and RO, *solving waste disposal* is a local service. In HU this is a national and a local service. In CZ, municipalities are responsible for this service. Some contract this out. A description is not available on the national PA portal, but on web pages of individual towns and cities. The two largest cities (not Prague) offer instruments for e-payment. Their functionality cannot be tested, because they are linked to a prior registration and the permanent residence of a citizen. In HU, local/regional companies provide this service. A relatively new entity is responsible for pricing and billing. There is no central customer e-service, and local waste management companies provide basic information on their websites (requirements, scheduling) and some downloadable forms are available. In RO, private companies provide this service in most municipalities. In most cases, information describing the service and related requirements are available on the provider website. No downloadable forms and no scheduling are available.
6. *Paying local taxes and fees* is a local service in all three countries. In CZ a description is not available on the national PA portal, but on web pages of individual towns and cities. Their provision may be decentralised and administration of payments and related services are determined by existing structures. Water supply is usually administered by municipal companies. Citizens are also required to pay administrative fees for dogs or local property tax directly. The structure for administration of the fee for dogs is dependent on individual cities – in Brno, for instance, city districts are responsible. Local property tax is administered by the Tax Office of the Czech Republic and money gathered is distributed to individual municipalities. In most cases, fee payments by bank transfer are available. Sometimes, citizens can register and have their user account within which they can administer payments.
7. *Paying for local transport* is a local service in CZ, HU and RO. In large cities in CZ and RO, usually a city business company is established that is linked to the city budget. Payments for local transport can be handled completely electronically in the three largest cities and are usually supported by mobile applications. Payments for local transport cannot be handled completely electronically in the three largest cities in HU (except some passes and tickets in Debrecen with e-ID or a student card).
8. *Submissions to bodies of CZ municipalities* can be made using various means (e-registry-office – “e-podatelna”; e-mail, through an application where, upon prior registration, citizens can track their submissions). Since July 2009, submissions through data boxes have been enabled, but for citizens it is voluntary. If established, data boxes can be used as a file repository and also as an instru-

ment for sending an application for information, based on freedom of information legislation. E-services for citizens can also be integrated into larger information systems of cities. In the case of petitions, according to legislation, only paper petitions can be submitted, e-petitions are not allowed at present. In HU this differs from city to city. In most big cities, there is a way to send a complaint through electronic means and to receive an answer through email, but there are no signs of a concentrated effort. In RO this also varies over cities. In most large cities, one can send a complaint through electronic means and receive an answer through email. Some cities also have a platform on which complaints are visible to other users and they must receive a public answer (MyCluj is an example from the city of Cluj-Napoca, integrated with the internal back-office system of the city hall). Some central government institutions offer the possibility to send a petition through email.

9. In general, *electronic means for the involvement of citizens in local decision-making* are rather underdeveloped in the countries. In HU, there are some rare examples of participatory budgeting and planning. In CZ, ICT is used by some cities in order to obtain feedback via e-discussion forums, input for participatory budgeting (with which some municipalities have been experimenting for some time) or initiatives focusing on citizens’ involvement in strategy formulation (Brno 2050; fajNOVE in Ostrava). Only Brno has initiated a participatory budgeting project used for the whole Brno territory. In Ostrava and Prague, participatory budgeting initiatives have been implemented by few city districts. In RO, a number of cities use dedicated online platforms for participatory budgeting (Cluj-Napoca, Oradea, Turda, etc.). Some cities use either dedicated tools or social media to collect feedback or to ask for proposals as input for the decision-making process.
10. In case of the *application for childcare*, there are differences in the service delivery in the countries. In CZ, municipalities are responsible for primary education (kindergartens and primary schools). Application procedures may vary. In the case of the three largest cities, only in Brno is an e-tool available for applications for childcare in the city territory. In Ostrava and Prague this is decentralised in individual city districts. In HU, this is a local service (kindergarten) or national service (primary school). There are some cities/districts where downloadable forms or online services are available for kindergarten registration. For primary school enrolment, a new, central service began this year (with limited functionalities) on the public education e-service portal (<https://eugyintezes.e-kreta.hu/kezdolap>). This is still under development, but will enable entirely online applications in the future. In RO, there is no national or local online service in this area; everything happens on paper and face-to-face. Information describing the service and related requirements are available either on the education ministry website or on the local municipalities’ websites.

## **Lessons Learned from the Countries and Concluding Remarks**

The chapter dealt with the level of digitisation of core administrative services in three selected CEE countries – Czechia, Romania and Hungary. Almost all three countries are at the same level of electronic government development (with the Czech Republic slightly ahead, mainly because of the availability of local government e-services and digitalisation of services provided by different local providers), despite vastly different strategies and levels of centralisation. The findings clearly raise questions about citizen-centricity of e-government development in the countries.

The chapter indicates that the current situation is determined by the development of e-government and its enablers (e.g. IDs), the national approach to e-government policy, the level and readiness of legislation for digitisation, and the way the service delivery is organised (centralised, decentralised, mixed).

As for the Czechia, the findings indicate that digitisation of the core services for which the national level is responsible is rather low compared to local services. National services are not interlinked with available electronic means of communication and means for electronic conversion of the documents as this was made possible earlier for the Czech POINT project (e.g. data boxes). In case of core services for which the local level is responsible, more often tools of simple or advanced e-transactions are available. However, in Czechia, there are more than 6.200 municipalities and the level of their digitisation is determined by the level of their e-government. In large cities, the provision of some of the core services may be decentralised to the city districts and need not be standardised at the central (i.e. city) level. Only Brno offers more centralised services for the core services surveyed. There are various factors that determine the situation requiring further research. The following may be enumerated (Špaček, 2019; Špaček, 2015):

- insufficient strategic prioritising (there has been no clear focus on core administrative services for citizens in e-government national policies as well as on programmes on public administration reforms);
- insufficient legislation (current legislation sometimes inhibits digitisation of the services);
- insufficient innovative thinking and inclusion of stakeholders into policy – and service-delivery (e-government policy has been designed, implemented and evaluated in a rather top-down direction);
- departmentalism (projects of individual ministries are sometimes quite separate, which also raises the importance of e-government coordination).

Although the first significant e-government developments can be dated to the first half of the 2000's in Hungary, the digitalisation of core administrative services is still rather low in this country, usually not exceeding simple e-transactions.

As outlined in point 3.2, the main improvements in international benchmarking were reached especially before 2007, when the national portal, together with the transactional gateway, was launched. In 2010, the situation improved thanks to the one-stop-shop initiative of the Government Window. However, clients may submit several types of applications simultaneously. This requires their personal visits to authorities and is not facilitated by ICTs. The question is what developments will be brought about by the new regulation on electronic administrative services? In Hungary the following determinants of the current situation can be identified:

- responsibilities for e-government are shared between many agencies and ministries and sometimes there are three or four ministries that are involved in e-government development; different agencies are sometimes developing different projects without sufficient mutual communication;
- developing the building blocks under different projects and the communication between them is also a problem which also causes delays
- ICT development strategies and public administration reform programmes were not always supplemented by more specific e-government strategies or action plans that would give clear guidance to the digitisation process;
- Changes in legislation do not cope with the speed of technological development.
- The old national portal is running in parallel with the new one (when the new portal was launched it was announced as a replacement to the old one, but now the main message is rather that the new one is the customisable version of the old portal and the same service may not be available on both portals).

The development of e-gov in Romania is generally lagging behind the planned schedule, although e-government has gained attention in the EU pre-accession period. The development of national registries is at an early stage, together with standardisation of e-gov solutions. The huge potential for future developments is attributed to the new e-ID legislation approved late in 2017. As for the reasons that the situation in Romania is what it is, the following issues may be relevant:

- a lack of central coordination (Romania does not have a central institution with the authority to decide and implement change in the public sector – no minister would dream of letting the Romanian government CIO decide how things should be changed inside their ministry);
- no functioning interoperability projects (the national framework was approved only in December 2017 and after that nothing has moved towards implementation);
- there are no national registries;
- no e-ID of any kind is available;
- there is no political consensus;

- very little political interest for this area;
- cities, tired of waiting for the central government, began implementing their own (necessary limited and insular) online services. However, because of the particularities of the Romanian public sector, in which institutions are either local, decentralised or de-concentrated, institutions that reside in the same city cannot work together in most cases;
- digital skills of citizens and public servants are low.

## Acknowledgement

---

Preparation of this chapter was co-supported by the project of Czech Science Foundation “Alternative service delivery arrangements” (GA19-06020S).

## References

---

- Almuftah, H., Weerakkody, V., Sivarajah, U. Comparing and Contrasting e-Government Maturity Models: A Qualitative-Meta Synthesis. In *Electronic Government and Electronic Participation*, available at: <https://bura.brunel.ac.uk/bitstream/2438/13415/1/Fulltext.pdf> (accessed 12. 04. 2019).
- Angelopoulos, S., Kitsios, F., Papadopoulos, T. (2010). New service development in e-government: identifying critical success factors. *Transforming Government: People, Process and Policy*, 4(1): pp. 95–118.
- Borovitz, T., Csótó, M., Juhász, L., Molnár, S., Rab, A., Székely, L. (2007). *Elektronikus Közigazgatás Éves Jelentés 2006* (Annual report on e-government services 2006). *Információs Társadalom*, 7(1): 61–85.
- Brown, D. (2005). Electronic government and public administration. *International Review of Administrative Sciences*, 71(2): 241–254.
- Das, A., Singh, H., Joseph, D. (2017). A longitudinal study of e-government maturity. *Information & Management*, 54: 415–426.
- European Commission (2001). *Summary Report – Web-based Survey on Electronic Public Services* (Results of the first measurement: October 2001).
- Garson, G. D. (2006). *Public Information Technology and E-Governance – Managing the Virtual State*. London: Jones and Barlett Publishers, 2006.
- Gil-Garcia, J. R., Dawes, S. S., Pardo, T. (2018). Digital government and public management research: finding the crossroads, *Public Management Review*, 20(5): 633–646.
- Heeks, R. (2006). *Implementing and Managing eGovernment*. London: Sage.

- Homburg, V. (2008). *Understanding E-government – Information systems in public administration*. Oxon: Routledge, 2008.
- Kovač, P., Bileišis, M. (eds.). (2017). *Public Administration Reforms in Eastern European Union Member States – Post-Accession Convergence and Divergence*. Ljubljana, Vilnius: University of Ljubljana, Mykolas Romeris University.
- Laposa, T. (2017) *The digital transformation of EU-cohesion policy – How to measure the maturity of e-cohesion services* (paper prepared for the NISPAcee's 2017 conference).
- Layne, K., Lee, J. (2001). *Developing fully functional E-government: A four stage model*. *Government Information Quarterly*, 18: 122–136.
- Lee, J. (2010). *10 year retrospect on stage models of e-Government: A qualitative meta-synthesis*. *Government Information Quarterly*, 27: 220–230.
- Meyerhoff Nielsen, M. (2017). *Citizen use of government eServices: Comparing use, governance and cooperation models in Estonia and Georgia* (paper prepared for the NISPAcee's 2017 conference).
- Müller, S. D., Skau, S. (2015). *Success Factors Influencing Implementation of E-government at Different Stages of Maturity. A Literature Review*. *International Journal of Electronic Governance*, 7(2): 136.
- Rana, N. P., Dwivedi, Y. K., Williams, M. D. (2013). *Analysing challenges, barriers and CSF of e-gov adoption*. *Transforming Government: People, Process and Policy*, 7(2): 177–198.
- Randma-Liiv, T. (2008). *New Public Management Versus the Neo-Weberian State in Central and Eastern Europe*. *The NISPAcee Journal of Public Administration and Policy*, 1(2): 69–82.
- Ropret, M., Aristovnik, A. (2019). *Public Sector Reform from the Post-New Public Management Perspective: Review and Bibliometric Analysis*. *Central European Public Administration Review*, 17(2): 89–115.
- Rose, W. R., Grant, G. G. (2010). *Critical issues pertaining to the planning and implementation of E-Government initiatives*. *Government Information Quarterly*, 27(2010): 26–33.
- Schuppan, T. (2009). *E-Government in developing countries: Experiences from sub-Saharan Africa*. *Government Information Quarterly*, 26(2009): 118–127.
- Špaček, D. (2015). *E-government Policy and its Implementation in the Czech Republic: Selected Shortcomings*. *Central European Journal of Public Policy*. 2015, 9(1): 78–100.
- Špaček, D. (2019). *Public administration characteristics in the Czech Republic* (draft report prepared within the EUPACK2 project and finalized in March 2019, not published).

- Tinholt, D. et al. (2018). e-Government Benchmark 2018 – Securing e-Government for all (Background Report), available at: [https://ec.europa.eu/newsroom/dae/document.cfm?doc\\_id=55487](https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=55487) (accessed 12.04.2019).
- Twizeyimana, J. D., Andersson, A. (2019). The public value of E-Government – A literature review. *Government Information Quarterly*, 36(2019): 167–178.
- Van der Linden, N., Groeneveld, A., Cattaneo, G., Aguzzi, S., Pallaro, F. (2017). e-Government Benchmark Framework 2012–2017. Available at [https://ec.europa.eu/newsroom/dae/document.cfm?doc\\_id=55174](https://ec.europa.eu/newsroom/dae/document.cfm?doc_id=55174) (accessed 05.11.2019).
- Zhao, F., Shen, K. N., Collier, A. (2014). Effects of national culture on e-government diffusion—A global study of 55 countries. *Information & Management*, 51(2014): 1005–1016.



# 4. Policy papers

---

*Editors: Lesya Ilchenko-Syuyva, Jaroslav Dvorak, Mihaela Victorita Carausan*

## 4.1. Use of Evidence in Public Policy Design and Implementation



# Increasing Reliance on Wood Energy? A Case Study on Policy-Practice Interface in Selected European Countries

---

*Francesca Ferranti<sup>1</sup>, Vasja Leban<sup>2</sup>*

## Abstract

The European Union's (EU) policies emanated during the last decade in the energy, climate and rural development sectors, foster an increased reliance on wood energy as a contribution to achieving low carbon economy. While evidence exists that stakeholders from three EU Member States (MSs) with different characteristics (Germany, Slovenia and Spain) were often uncertain about the feasibility of applying the EU's policy ambitions, they support the EU's discourses regarding the role of wood energy in boosting the competitiveness of the forest sector, contributing to climate change reduction and maintaining different forest functions. In order to achieve an increased reliance on wood energy, EU policy makers are encouraged to consider using positive considerations of the wood energy role to underpin their strategies and, at the same time, work on reducing the effects of environmental trade-offs by prioritising at supranational level the policy objectives that affect the environment.

## Goal

---

In order to build a long-term energy strategy that strives for a low-carbon economy, the European Union (EU) has set policy goals for 2020, 2030 and 2050 that aim at increasing the use of renewable energy sources (European Commission, 2009; European Union, 2014; 2018). Wood energy, here defined as woody biomass harvested directly from forests<sup>3</sup> and used for energy purposes, is one of the strongholds of this

---

1 Open University of the Netherlands, Heerlen, The Netherlands.

2 Biotechnical Faculty, University of Ljubljana, Ljubljana, Slovenia.

3 In line with other studies (e.g. Mantau et al., 2010), this article excluded wood from plantations because in the European context these are often referred to as agricultural products.

strategy (Ferranti, 2014). This is evident in the 45 % contribution of wood energy to the 2016 EU’s gross consumption of renewable energy sources (Eurostat, 2018) and also in the climate, energy, forestry and rural development policy developments taking place from the early 2000s onwards. Despite the enthusiasm of EU policies, different stakeholders from the energy, climate and forestry realms expressed their worries with respect to the feasibility of EU goals concerning wood energy. The struggle between different stakeholders’ perspectives highlights the complex policy and practical drawbacks of dealing with wood as an energy source (e.g. depletion of the carbon stocks and reduction of forest capacity to contribute to climate change mitigation) (Berndes et al., 2016; Schyns and Vanham, 2019; Searchinger et al., 2018).

### **Policy Client/Audience/Target group**

---

The main audience for this paper represent EU policy makers and officials from EU General Directorates dealing with environmental, energy, climate, agriculture and rural development domains. Additionally, it targets national and sub-national legislators and representatives of those institutions that ought to implement EU requirements at lower policy levels. To a minor extent, the paper can also be interesting for non-governmental stakeholders at international, national and local levels, as they are directly involved in the implementation of EU policies on the ground.

### **Policy Aims**

---

In the last two decades, various policy documents (e.g. European Commission, 2013; 2014; European Parliament and Council, 2013) and legislation (e.g. Directive 2009/28/EC, named Renewable Energy Directive or RED, and Directive 2018/2001/EU or RED II) were produced, which point to the need to increase reliance on wood energy. Based on the idea that European forests encompass a currently unexploited reservoir of wood (Asikainen et al., 2008) and that wood energy is characterised by “carbon-neutrality”<sup>4</sup> (Bright et al., 2012; Ferranti, 2014), EU documents praise wood energy’s role in constituting a valuable substitute to fossil fuels, generating income in rural areas and an important element in the solution of the climate change problem (European Commission, 2004; 2005; 2009; Faivre et al., 2018; Ferranti, 2014).

---

4 The assumption of the “carbon neutrality” of wood holds that the biomass extracted from the forest and burned in the energy generation process is, in the long run, replaced by new biomass growth in the forest, which re-absorbs the carbon emitted by the process of energy generation (Czeskleba-Dupont 2012). In this sense, the carbon emitted when generating energy from wood is perceived as staying in the atmosphere for a rather short time frame and is set against the emissions generated by fossil fuels, which have a much slower recovery time and are supposed to stay in the atmosphere for a very long time (Bright et al. 2012).

In the EU, different policy sectors expressed a marked interest towards the production and use of wood energy (Mantau et al., 2010). Two main factors determine such convergence in policy interests: 1) the cross-cutting character of debates on wood energy which range over economic, ecological and social aspects (Söderberg and Eckerberg, 2013) and 2) the missing legally binding EU framework directly addressing forests and their products (Winkel et al., 2009), which stimulates the interest of exogenous policies towards forest-related topics. They envisage an increased production of wood energy, but as framework policies, they point at a general principle of integration amongst competing forest functions such as wood production and nature conservation (Jordan, 2000; FERN, 2011).

## **Background to the Problem**

---

In literature, the enthusiasm expressed by policy documents is counterbalanced by the awareness that increasing reliance on wood energy can pose concrete risks for the environment (Beiträge und Standpunkte aus dem Öko-Institut, 2018; Searchinger et al., 2018; Schyns and Vanham, 2019). This awareness has played a growing role also in EU policies, which took increasingly into account the possible negative consequences of using wood energy without applying the necessary sustainability measures (IEA Bioenergy, 2018; ICCT, 2018). The recognition of these risks is also strong amongst stakeholders of the forest and energy sectors. Different representatives of the scientific arena and of civil society expressed their worries with respect to the possible negative consequences and limited feasibility of satisfying the EU's policy objectives related to wood energy (Searchinger et al., 2018; WWF European policy Office, 2018; FERN, 2018; Beiträge und Standpunkte aus dem Öko-Institut, 2018; Matthews et al., 2018; Euractiv, 2018a). These stakeholders considered the sustainability precautions taken by EU policies as inadequate (e.g. FERN, 2018). They also claimed that, as other framework policies emanated in the EU (Jordan, 2000), EU legislation, dealing with wood energy, expresses common goals for EU Member States (MSs) and point at a general principle of integration amongst competing forest functions such as wood production and nature conservation.

In doing so, they do not indicate concrete solutions either for increasing wood energy production or for the environmental trade-offs associated with this production (FERN, 2011; Schulze et al., 2012). The solution of these trade-offs is left to the leeway of MSs (Jordan, 2000), which must transpose and apply EU policies sometimes facing a low acceptance by stakeholders and related implementation problems (Majone, 1999). Next to the stakeholders who blame the EU's approach to wood energy for being unsustainable, other actors, and especially forest owners and representatives of the economic sectors linked to bio-energy, criticise the approach of current EU policies for completely opposing reasons. They are concerned that, in the name of sustainability, the RED II imposes too many restrictions to the use of

wood energy (CEPF, 2017a) and it undermines the economic viability of sustainable forest management (CEPF, 2017b).

The RED and other EU policies we mentioned above did not provide practical indications on how to increase wood energy production. Therefore, in order to acquire the details characterising the different stands stakeholders take on the concrete possibilities to implement the EU’s goals of increasing reliance on wood energy, we built the framework for our analysis concentrating on concrete options for increasing wood energy production. To select these options, we drew on scientific literature that proposed scenarios of future wood energy production in the EU (e.g. European Environmental Agency, 2007; Mantau et al., 2010; Verkerk et al., 2011b). These scenarios suggested changes in ongoing wood exploitation patterns such as expanding the forest area available for wood supply and/or increasing the wood supply from existing sources. Based on these scenarios, we focused on three concrete alternatives for increasing wood energy production, which were an inspiration for our inquiry into stakeholders’ perspectives: 1) increasing the area where wood energy is harvested; 2) changing existing forest management practices to obtain wood energy and 3) exploiting tree components not traditionally harvested for energy production.

This paper is rooted in the idea that the successful national and local implementation of international policies does not only depend on the legal transposition in national systems (Yanow, 1996), but also on society’s acceptance of the rationale behind (and scope of) policy requirements (Fischer, 2000; Alphantery and Fortier, 2001). This is particularly true in decentralised contexts such as the EU, where national transposition of supranational frameworks is supposed to steer local outcomes towards common goals (Jordan, 2000). In the analysis of stakeholders’ perspectives about the EU’s goals of increasing reliance on wood energy, we considered these perspectives as a litmus paper which gives an indication of the level of compatibility between policy ambitions and the reality of the wood energy context (Fischer, 2000; Posavec et al., 2015; Pezdevšek Malovrh et al., 2016). Some of the studies we used as reference for our research made it clear that, to achieve an increased wood energy production, early 2000s’ wood exploitation patterns needed to be changed by taking society’s acceptance of eventual changes into account (European Environmental Agency, 2007; Mantau et al., 2010).

## **Alternatives**

---

Looking into stakeholders’ opinions on the feasibility of three concrete alternatives for increasing wood energy production allowed us to carry out an in-depth analysis of the policy-practice interface regarding the increase of such production. None of the three alternatives was univocally perceived by stakeholders, who expressed both positive and negative opinions on the possibilities of implementing them. Conse-

quently, in some instances, stakeholders' perspectives coincided with the EU's policy ambitions, while in others they were discordant. For example, stakeholders' perspectives resonated well with the view expressed by EU policy documents on the role of wood energy in achieving economic competitiveness of the forest sector (European Parliament and Council, 2013). Forest operations such as thinning young and middle-aged forests as a means to apply the alternative of changing the existing forest management practices, and the different means related to the alternative of changing tree components destined to the energy industry, were attributed positive externalities, such as increasing revenues in rural areas and diversification of rural economy. However, several stakeholders raised the sustainability dilemma regarding these alternatives. Furthermore, the EU policy's discourse on positive mutual influences between climate and energy goals (European Commission, 2014) found a correspondence in stakeholders' perspectives. With respect to applying the alternative of changing forest management practices, some stakeholders referred to the possibility of using native rapidly growing species and perceived this as an opportunity to foster forest adaptation to climate change. As an example, whole tree harvesting and stump removal were characterised by legal limitations in all countries and not perceived as concrete solutions for applying the alternative of changing forest management practices. This view coincided with EU policy goals of opting for the integration of different forest functions and avoiding overlooking forest sustainability limits (European Commission, 2013).

Despite the fact that wood energy plays different roles in the three MSs under study, the relations between round wood and wood energy production were found strong in all three cases. Wood energy production played mainly a side-stream role to the production of round wood, which confirms the results of other similar studies (e.g. Díaz-Yáñez et al., 2013). According to our interviewees, wood energy was mostly obtained from full trees or stem-wood from thinning and from residues of final felling. In some instances, wood energy in Slovenia and Spain was also produced from primary products of final felling operations. This data shows that the picture of wood energy production was slightly different from that depicted by Díaz-Yáñez et al. (2013), especially in countries where the material wood industry was not very vital. Producing wood energy in some cases represented the main goal of forestry operations and somehow it became loose from the strict linkages that traditionally tied it to the production of round wood. The growing economic relevance of wood energy triggers a progressive strengthening of its role in determining the final goals of forest management activities.

This result unveils the early signs of a tendency that some stakeholders of the forest sector nowadays fear a growing intensification of forestry activities with the goal of producing more wood energy (Euractiv, 2018b; FERN, 2018). Today, this tendency is seen by some stakeholders (especially nature conservationists and scientists) as a misinterpretation of the positive contribution that wood energy can play in low carbon economies (Euractiv, 2018b), if compared to the traditional use

for energy purposes of the sole wood components that had no value as material. In light of these negative opinions, these stakeholders currently express negative feelings about EU legislation such as RED and RED II, which, in their eyes, promote the use of wood energy without considering the environmental dangers associated to an increased reliance on this energy source (Beiträge und Standpunkte aus dem Öko-Institut, 2018; FERN 2011, 2018). The categories of stakeholders that nowadays put forward their perplexities about the weak level of sustainability characterising EU policy ambitions are the same that, in the present study, expressed the most negative opinions about the feasibility of an increased reliance on wood energy. In conclusion, in all the three countries under analysis, wood energy was also attributed a positive connotation and was depicted as a chance to diversify rural economy, revitalise national forest sectors, support environmental forest functions such as fire prevention and contribute to climate change reduction. Stakeholders who hold these positions often relied on the idea that no real obstacles were in the way of increasing production of wood energy due to the existing reservoir of wood hosted in European forests.

The cross-country comparison highlighted that wood energy had different roles in the three case study countries, but that two important similarities between the countries existed. The first was a strict relationship between the productivity of the wood-processing industry and the role played by wood energy in national economies and in the imaginary of stakeholders. The more important the role of material uses, the less significant the role of wood energy. The second similarity was a correlation between the perceived (or hoped for) future vitality of the wood-processing industry and the confidence of national stakeholders in the increased future reliance on wood energy. When stakeholders foresaw or hoped for a vital future role of the wood-processing industry, they also considered less realistic an increased reliance on wood energy. Germany offers a straightforward example of the functioning of these two rationales; the country had the most productive forest sector compared to the other two MSs (Lindstad et al., 2015) and German interviewees perceived that wood energy was produced exclusively from low-quality wood assortments that were not used for material uses. Next to the influence exercised by the role of material wood in the country, a strong awareness about environmental trade-offs played a role in shaping the perspectives of German interviewees. Similarly, the results obtained for the Slovenian case resonate well with the two rationales presented in the previous paragraphs. Slovenia was characterised by a very limited production of round wood compared to Spain and Germany. Slovenian stakeholders described the weakness of the round wood industry and a depressed forestry economy. This explained why, at the time of the study, some of the Slovenian wood which could have been used for material uses was instead destined to the energy industry. Lastly, in Spain, material uses of wood were gradually decreasing in importance, hand in hand with the crisis of the building sector which affected especially the production of particle boards. Wood energy was positively perceived by stakeholders as an op-

portunity to make fire prevention interventions profitable. Differently from most other stakeholders, Spanish interviewees did not express any worries about negative consequences of increasing the use of low-quality trees to apply the alternative of changing forest management practices.

## **Stakeholder Analysis**

---

In order to provide a varied picture of the wood energy contexts characterising different areas of the EU, whilst limiting the retrieval of information about stakeholders' perspectives to an easily displayable quantity of data, we selected three EU MSs, namely Germany, Slovenia and Spain. These MSs were chosen because they were characterised by different historical, social and economic conditions, by different traditions linked to the use and import-export of (energy) wood and by varying national approaches towards the future role of wood (e.g. Lindstad et al., 2015). For each country, we acquired opinions expressed by five stakeholder groups, chosen to cover as much as possible the different categories of actors that played a role in the wood energy context, and in particular:

- *Conservation group* (nature-conservation bodies, e.g. associations and state agencies);
- *Economy group* (industries and associations representing end users of timber and wood energy);
- *Policy group* (representatives of national Ministries and especially of forest administrations);
- *Practitioners group* (forest-owners' associations, forest enterprises and foresters);
- *Science group* (scientific institutions, researchers and experts).

## **Consultations**

---

Consultation between representatives of conservation groups and representatives of economy and practitioner groups (all from various levels) is highly recommended in order to discuss the various positions and arguments, to negotiate the most beneficial solutions and to prioritise it, together with several policy objectives that affect the environment.

## **Policy Recommendation**

---

European discourses on the economic role of wood energy as a booster for the competitiveness of the forest sector did find fertile ground in national implementation contexts. We suggest that policy makers interested in fostering an increased reliance on wood energy base their policy strategies on these positive properties attributed

to wood energy. On the other hand, we suggest that policy makers, both at EU and national levels, better address policy weaknesses regarding environmental trade-offs associated with wood energy production. This could be done, for example, by clearly setting at supranational level the priorities between wood energy and environmental policy goals and exploring concrete options for increasing wood energy production without harming the environment. This prioritisation of policy goals at EU level would reduce criticism by stakeholders about the fact that, in the EU, the solution of trade-offs associated with wood energy production is left at the national levels to solve. It would also reduce divergence between policy ambitions and stakeholders’ perspectives on the possibilities to increase wood energy production, as well as reducing obstacles to the achievement of EU policy goals (Majone, 1999).

## Conclusion

---

This paper is grounded on the analysis of the degree of correspondence between the EU’s policy ambitions with respect to wood energy and the perspectives of national stakeholders about the possibilities of increasing reliance on this energy source in three EU MSs with different characteristics (Germany, Slovenia and Spain). The paper offers evidence concerning the level of compatibility between supranational policy objectives and lower contexts, thus supporting policy decisions and designing viable policy instruments aimed at increasing reliance on wood energy, as well as for improving convergence between supranational policy goals and practical outcomes in the EU (Jordan, 1999; Dimitrova and Steunenberg, 2000; Boerzel, 2001).

*Data for the study were collected in the 2011–2014 project “COmpeting uses Of forest Land” (COOL) that was financed within two ERA-Nets Wood-Wisdom-Net 2 and Bioenergy. We thank Elena Gorriz, Špela Pezdevšek Malovrh and Kristina Wirth for working on the collection and analysis of the interview data used in this paper.*

## References

---

- Asikainen, A., Liiri, H., Peltola, S., Karjalainen, T., Laitila, J., 2008. Forest energy potential in Europe (EU27). Working Paper of the Finnish Forest Research Institute. Helsinki: p. 33.
- Beiträge und Standpunkte aus dem Öko-Institut, 2018. Erosion of European sustainability requirements for bioenergy. <https://blog.oeko.de/erosion-of-european-sustainability-requirements-for-bioenergy/> (accessed 20 December 2018).
- Berndes, G., Abt, B., Asikainen, A., Cowie, A., Dale, V., Egnell, G., Lindner, M., Marelli, L., Paré, D., Pingoud, K., Yeh, S., 2016. Forest biomass, carbon neutrality and climate change mitigation. From Science to Policy 3, European Forest Institute: p. 7.

- Boerzel, T. A., 2001. Non-compliance in the European Union: pathology or statistical artefact? *J. Eur. Public Policy* 8, 5: 803–824.
- Bright, R. M., Cherubini, F., Astrup, R., Bird, N., Cowie, A. L., Ducey, M. J., Marland, G., Pingoud, K., Savolainen, I., Strømman, A. H., 2012. A comment to “Large-scale bioenergy from additional harvest of forest biomass is neither sustainable nor greenhouse gas neutral”: Important insights beyond greenhouse gas accounting. *Global Change Biology Bioenergy*, 4, 6: 617–619.
- CEPF, 2017a. Sustainably managed forests are a proven source of sustainable biomass for bioenergy. [http://www.cepf-eu.org/sites/default/files/document/20171004\\_RED\\_recast\\_Joint\\_Position.pdf](http://www.cepf-eu.org/sites/default/files/document/20171004_RED_recast_Joint_Position.pdf) (accessed 15 November 2018).
- CEPF, 2017b. Europe’s foresters deeply concerned about REDII. <http://www.cepf-eu.org/news/europe’s-foresters-deeply-concerned-about-redii> (accessed 20 December 2018).
- Czeskleba-Dupont, R., 2012. A secular carbon debt from atmospheric high temperature combustion of stem wood? *Journal of Transdisciplinary Environmental Studies*, 11, 2: 38–47.
- Díaz-Yáñez, O., Mola-Yudego, B., Anttila, P., Röser, D., Asikainen A., 2013. Forest chips for energy in Europe: Current procurement methods and potentials. *Renew Sustain Energy Rev* 2: 562–571.
- Dimitrova, A., Steunenbergh, B., 2000. The Search for Convergence of National Policies in the European Union: An Impossible Quest? *Eur. Union Polit.* 1: 201–226.
- Euractiv, 2018a. Letter from scientists to the EU Parliament regarding forest biomass. <https://www.euractiv.com/wp-content/uploads/sites/2/2018/01/Letter-of-Scientists-on-Use-of-Forest-Biomass-for-Bioenergy-January-12-2018.pdf> (accessed 20 December 2018).
- Euractiv, 2018b. Five reasons why the EU’s bioenergy policy will backfire. <https://www.euractiv.com/section/energy/opinion/forests-five-reasons-why-the-eus-renewable-policy-will-backfire/> (accessed 20 December 2018).
- European Commission, 2004. Communication from the Commission to the Council and the European Parliament – The share of renewable energy in the EU. Commission Report in accordance with Article 3 of Directive 2001/77/EC, evaluation of the effect of legislative instruments and other Community policies on the development of the contribution of renewable energy sources in the EU and proposals for concrete actions. <http://www.managenergy.net/resources/390> (accessed 20 December 2018).

- European Commission, 2005. Communication from the Commission: Biomass action plan. [http://europa.eu/legislation\\_summaries/energy/renewable\\_energy/l27014\\_en.htm](http://europa.eu/legislation_summaries/energy/renewable_energy/l27014_en.htm) (accessed 20 December 2018).
- European Commission, 2009. 2020 climate & energy package. [https://ec.europa.eu/clima/policies/strategies/2020\\_en](https://ec.europa.eu/clima/policies/strategies/2020_en) (accessed 15 November 2018).
- European Commission, 2013. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. A new EU Forest Strategy: for forests and the forest-based sector. [http://ec.europa.eu/agriculture/forest/strategy/communication\\_en.pdf](http://ec.europa.eu/agriculture/forest/strategy/communication_en.pdf) (accessed 15 November 2018).
- European Commission, 2014. 2030 Climate & Energy Framework. [https://ec.europa.eu/clima/policies/strategies/2030\\_en](https://ec.europa.eu/clima/policies/strategies/2030_en) (accessed 15 November 2018).
- European Commission, 2018. 2050 Long-Term Strategy. [https://ec.europa.eu/clima/policies/strategies/2050\\_en](https://ec.europa.eu/clima/policies/strategies/2050_en) (accessed 20 December 2018).
- European Parliament and Council, 2013. Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005. <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0487:0548:en:PDF> (accessed 20 December 2018).
- European Union, 2009. Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC. (Brussels).
- European Union, 2018. Directive 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources (Brussels).
- Eurostat, 2018. Wood as a Source of Energy. [https://ec.europa.eu/eurostat/statistics-explained/index.php/Wood\\_as\\_a\\_source\\_of\\_energy](https://ec.europa.eu/eurostat/statistics-explained/index.php/Wood_as_a_source_of_energy) (accessed 7 November 2018).
- Faivre, N., Rego, F., Moreno, J. M., Vallejo, V. R., Xanthopoulos, G., 2018. Forest Fires – Sparking firesmart policies in the EU. Research & Innovation Projects for Policy. DG Research and Innovation. European Commission. Luxembourg: p. 48.
- Ferranti F., 2014. Wood energy: A challenge for European forests; Potentials, environmental implications, policy integration and related conflicts. EFI Technical Report 95: p. 158.

- FERN, 2011. The new Forest Strategy. [http://www.fern.org/sites/fern.org/files/FERN\\_review\\_forestry\\_strategy\\_110908\\_0.pdf](http://www.fern.org/sites/fern.org/files/FERN_review_forestry_strategy_110908_0.pdf) (accessed 20 December 2018).
- FERN, 2018. Fern's analysis of the agreement on a new EU Renewable Energy Directive for the period after 2020. <https://fern.org/sites/default/files/news-pdf/Fern%20Analysis%20of%20REDII.pdf> (accessed 20 December 2018).
- IEA Bioenergy, 2018. European Union – 2018 update: Country Reports. [https://www.ieabioenergy.com/wp-content/uploads/2018/10/CountryReport2018\\_EU\\_final.pdf](https://www.ieabioenergy.com/wp-content/uploads/2018/10/CountryReport2018_EU_final.pdf) (accessed 15 November 2018).
- ICCT, 2018. Final recast renewable energy directive for 2021–2030 in the European Union: policy update. [https://www.theicct.org/sites/default/files/publications/EU\\_Fuels\\_Policy\\_Update\\_20180719.pdf](https://www.theicct.org/sites/default/files/publications/EU_Fuels_Policy_Update_20180719.pdf) (accessed 15 November 2018).
- Irvin, R. A., Stansbury, J., 2004. Citizen participation in decision making: Is it worth the effort? *Publ. Admin. Rev.* 64, 1: 55–65.
- Jordan, A., 1999. The implementation of EU environmental policy: a policy problem without a political solution? *Environ. Plann. C Gov. Policy*, 17, 1: 69–90.
- Jordan, A., 2000. The politics of multilevel environmental governance: subsidiarity and environmental policy in the European Union. *Environ. Plan. A*, 32, 7: 1307–1324.
- Julien, B., Lammertz, M., Barbier, J. M., Jen, S., Ballesteros, M., de Bovis, C., Krott, M., 2000. VOicing Interests and ConcErns: NATURA 2000: an ecological network in conflict with people. *Forest Policy and Economics*, 1, 3/4: 357–366.
- Lindstad, B. H., Pistorius, T., Ferranti, F., Dominguez, G., Gorriz-Mifsud, E., Kurttila, M., Leban, V., Navarro, P., Peters, D. M., Pezdevšek Malovrh, S., Prokofieva, I., Schuck, A., Solberg B., Viiri, H., Zadnik Stirn, L., Krč, I. 2015. Forest-based bioenergy policies in five European countries: An explorative study of interactions with national and EU policies. *Biomass and Bioenergy*, 80: 102–113.
- Majone, G., 1999. The regulatory state and its legitimacy problems. *West Eur. Polit.*, 22, 1: 1–24.
- Mantau, U., Saal, U., Prins, K., Steierer, F., Lindner, M., Verkerk, H., Eggers, J., Leek, N., Oldenburger, J., Asikainen, A., Anttila, P., 2010. EUwood – Real potential for changes in growth and use of EU forests. Final report. Hamburg/Germany: p. 160.
- Matthews, R., Hogan, G., Mackie, E., 2018. Carbon impacts of biomass consumed in the EU: Supplementary analysis and interpretation for the European Climate Foundation. Project report for ECF. Forest Research: p. 61.

- Peters, D., Wirth, K., Böhr, B., Ferranti, F., Górriz-Mifsud, E., Kärkkäinen, L., Krč, J., Kurttila, M., Leban, V., Lindstad, B. H., Pezdevšek Malovrh, Š., Pistorius, P., Rhodius, R., Solberg, B., Zadnik Stirn, L., 2015. Wood energy from forests— stakeholder perceptions in five European countries. *Energy, Sustainability and Society*, 5, 17: 1–12.
- Pezdevšek Malovrh, S., Kurttila, M., Hujala, T., Kärkkäinen, L., Leban, V., Lindstad, B. H., Peters, D. M., Rhodius, R., Solberg, B., Wirth, K., Zadnik Stirn, L., Krč, J., 2016. Decision support framework for evaluating the operational environment of forest bioenergy production and use: Case of four European countries. *Journal of Environmental Management*, 180: 68–81.
- Searchinger, T. D., Beringer, T., Holtsmark, B., Kammen, D. M., Lambin, E. F., Lucht, W., Raven, P., van Ypersele, J.-P., 2018. Europe’s Renewable Energy Directive Poised to Harm Global Forests. *Nature Communications* 9, 1: 3741.
- Schulze, E. D., Körner, C., Law, B. E., Haberl, H., Luyssaert, S., 2012. Large-scale bioenergy from additional harvest of forest biomass is neither sustainable nor greenhouse gas neutral. *Glob. Change Biol. Bioenergy* 4, 6: 611–616.
- Schyns, J. F., Vanham, D., 2019. The Water Footprint of Wood for Energy Consumed in the European Union. *Water*, 11, 2: p. 11.
- Stupak, I., Asikainen, A., Jonsell, M., Karlton, E., Lunnan, A., Mizaraité, D., Pasanen, K., Pärn, H., Raulund-Rasmussen, K., Röser, D., Schroeder, M., Varnagiryte, I., Vilkryste, L., Callese, I., Clarke, N., Gaitnieks, T., Ingerslev, M., Mandre, M., Ozolincius, R., Saarsalmi, A., Armolaitis, K., Helmisaari, H.-S., Indriksons, A., Kairiukstis, L., Katzensteiner, K., Kukkola, M., Ots, K., Ravn, H. P., Tamminen, P., 2007. Sustainable utilisation of forest biomass for energy—Possibilities and problems: Policy, legislation, certification, and recommendations and guidelines in the Nordic, Baltic, and other European countries. *Biomass and Bioenergy*, 31, 10: 666–684.
- Wolfslehner, B., Krajter, S., Jović, D., Nestorovski, L., Velichkov, I., 2009. Framing stakeholder and policy issues for coppice forestry in selected Central and South-Eastern European countries. *Silva Balcanica*, 10, 1: 21–34.
- WWF European policy Office, 2018. EU biomass rules could ‘increase emissions’, say advisors to European Commission. <http://www.wwf.eu/?uNewsID=328493> (accessed 20 December 2018).

# Re-thinking the Importance of Equity Principles in Carbon Emissions Policy for the Future: A Policy Driven Empirical Narration for India vs. European Union<sup>1</sup>

---

Sovik Mukherjee<sup>2</sup>

## Abstract

The concept of justice and being “fair” is often heavily debated, more so, when it comes to the international negotiations on the mitigation of climate change. A peep into the charter of the UN Framework Convention on Climate Change highlights the importance of distributive fairness or in other words, equity. The concepts of “equal per capita CO<sub>2</sub> emissions”, “polluter-pays principle” etc., in some way provide different perspectives on the issue of equity. For a long time, economics literature has been focussing on the efficient allocation of optimum levels of the provision of some common resources amongst different associated parties. But strangely, less attention has been given to the equity aspects of such allocations.

In this backdrop, out of the existing equity criteria, i.e. *egalitarian rule*, *sovereignty rule*, *polluter-pays rule*, *ability-to-pay rule*, the first objective is to quantify the significance of these equity principles across two major power houses in the world at present, India and the European Union (EU) in 2014–15 (actual) and in terminal years of 2021–22 and 2031–32 for the future. To assess the distributions implied by the egalitarian, sovereignty, polluter-pays, and ability-to-pay rules, the paper makes use of the trends in the respective countries’ or groups of countries’ population data, baseline carbon emissions, and GDP against two sets of scenarios, the BAU Scenario (Business as Usual) and the Accelerated Scenario (i.e. with a 30 per cent CO<sub>2</sub> emissions reduction). The recommendation is that the EU should design its

---

1 This research work was supported by a research grant (File No. CON/518/2018-ICS) from the Indian Council of Social Science Research (ICSSR) awarded to Sovik Mukherjee.

2 Department of Economics, Faculty of Commerce and Management Studies, St. Xavier’s University, Kolkata, India.

emissions reduction policy in line with the ability-to-pay rule while for India it should be the egalitarian rule.

**Keywords:**

Accelerated Scenario, Business as Usual (BAU), Co-integration, Equity, CO<sub>2</sub> emissions policy

## **1. Goal**

---

Defining an internationally equitable distribution of the burdens of reducing climate change risks has been a basic concern for as long as greenhouse gas (GHG) emissions policies have been debated. Countries clearly differ greatly in terms of their vulnerability to climate change, for example, developing countries as well as environmental interest groups in industrialised countries claim that developed countries with high per capita greenhouse gas emissions are responsible for global warming and must take the lead in combating climate change. In consequence, weaker obligations for developing countries may be based on equity arguments.

The main objective of trying out such an exercise is to predict the decision-making authority's future choice of equity principle after weighing the benefits and costs arising out of such equity principles. The results indicate that in the long run, the polluter-pays principle becomes comparatively insignificant. However, when it comes to the CO<sub>2</sub> emissions abatement, as already existing in the literature, the support for egalitarian principle comes from developing countries. Furthermore, the novelty of my contribution lies in the formulation of a convex combination of all the four equity principles to see the relative effectiveness of such principles across these two power houses.

## **2. Target Group**

---

Though I have taken into consideration only the European Union and India, the target group comprises the audience from the “Big Four”, *viz.*, the United States, European Union, China, and India and the policymakers who decide on which equity principles or criteria are to be applied.

## **3. Policy Aims**

---

In view of the climate emergency in terms of carbon emissions, the target is to reach a reduction in carbon emissions of at least 30–40 per cent by 2030–31 to control the global warming and limit it to 1.5 °C. In the process of implementing the policy recommendations in the context of international climate policy, both the EU and

India, being a negotiating party, may be predicted to use those equity arguments which lead to relatively lower costs.

## 4. Background

---

Bargaining situations and negotiations frequently resemble striving for fairness when bargainers feel that they are in a disadvantaged position to receive their “fair share”. But the meaning of “fair” is often heavily debated. The perception of fairness may, however, differ across the involved parties. Several strands of economic, as well as psychological literature, indicate that the understanding of what is fair is – at least to a certain extent – driven by the economic costs of the respective equity rules: Babcock et al. (1996) consider a “self-serving bias in judgments of fairness” in an experimental bargaining situation. This notion of self-serving biases usually refers to unconscious distortions in perceptions of fairness. In contrast, our paper establishes a self-interested use of equity which includes potentially intentional distortions of equity beliefs. Babcock and Loewenstein (1997) review psychological and experimental evidence for this interaction between material payoffs and fairness perceptions. Self-serving social comparisons from teacher contract negotiations are discussed by Babcock et al. (1996). In a different approach, Hennig-Schmidt (2002) shows the self-interested use of equity arguments in a video-bargaining experiment. If conflicting principles of fairness are part of the negotiation process, a potential agreement requires weighing and reconciliation of the different proposed equity bases. Moving on, Bosello et al. (2001) study the stability of international agreements if they are based on a single equity rule but do not find major improvements in the relatively pessimistic predictions from traditional economic models of coalition formation (Carraro & Siniscalco, 1993). Böhringer and Helm (2008) consider an axiomatic approach of fair division and calculate the burden resulting from such an allocation mechanism. Lange and Vogt (2003) and Lange (2006) take a different approach and model preferences which trade-off payoffs with equity concerns. Such equity preferences may potentially increase cooperation rates but are based on the assumption that countries evaluate their position based on a single given equity criterion.

In this backdrop, negotiations thus become more complicated when there is more than one justifiable fairness norm (Raiffa, 1982). Now what negotiators do is potentially choose those fairness principles in line with their demands and not in line with the equity principles. Herein lies the conflict. In spite of the graveness of the situation, the actual role of equity principles in shaping negotiation processes has received only limited attention in the literature. Several studies identify different typologies of equity principles. This paper follows Lange et al. (2010) and primarily focuses on the dominating principles in the context of international climate policy, such as, egalitarian rule, sovereignty rule, polluter-pays rule, ability-to-pay rule. The issue of equity principles in the context of CO<sub>2</sub> emissions assumes a critical position.

This happens on account of the claim that developing countries have regarding developed countries with high per capita greenhouse gas emissions being responsible for taking a lead in global warming. Often, similar emission reduction targets are seen as fair, based on present or recent emission levels (Cazorla & Toman, 2001).

The concept of justice and being “fair” is often heavily debated, more so, when it comes to the international negotiations on the mitigation of climate change. A peep into the charter of the UN Framework Convention on Climate Change highlights the importance of distributive fairness or, in other words, equity. The concepts of “equal per capita CO<sub>2</sub> emissions”, “polluter-pays principle”, etc. in some way provide different perspectives on the issue of equity. Out of the existing equity criteria, i.e. *egalitarian rule*, *sovereignty rule*, *polluter-pays rule*, *ability-to-pay rule*<sup>3</sup>, the first objective is to compare the feasibility as to what extent the equity principles can be incorporated into the carbon emissions policy for the future, in line with IPCC’s predictions that global warming is likely to reach 1.5°C between 2030 and 2052 if it continues to increase at the current rate of 0.8°C – 1.2°C (IPCC, 2018).

In Nash’s (1950) seminal work on bargaining, all differences between the players were supposedly captured in the disagreement point and the shape of the bargaining set. Many other explanations for bargaining power have been suggested since then – not least the differences in time or risk preference (Roth, 1979). However, if one follows many negotiation processes, the concept most parties follow is the “fairness” argument in order to convince the other party to agree to their demands. The payoff to a player in these (axiomatic) solutions increases in their legal claim. Recently, Gächter and Riedl (2005) studied the effects of “moral property rights” on bargaining. Here, individual views on fairness inform the bargaining situation and thereby influence the bargaining outcome. That is, the entitlements or individual claims are not given by some (incompatible) legal property rights but by what bargainers perceive as a fair agreement. Similar to these approaches, the frequency of equity arguments in negotiations indicates that there is an interaction between bargaining power, i.e. the ability to influence the negotiation outcome favourably, and the availability of equity arguments: for example, if all equity criteria required that a negotiating party receives a larger share of the surplus, this party would be likely to be able to influence the bargaining outcome in its favour. Conversely, the lack of an equity or fairness argument for one’s position would, in our view result in a reduction of bargaining power. The end result of negotiations may thus hardly

---

3 This rule incorporates the principle of equal per capita emissions: egalitarian rule (EGA).

This rule incorporates the principle of equal percentage reduction of current emissions: sovereignty rule (SOV).

This rule incorporates the principle of equal ratio between abatement costs and emissions: polluter-pays rule (POL).

This rule incorporates the principle of equal ratio between abatement costs and GDP: ability-to-pay rule (ABI).

be understood without analysing the underlying equity principles and their use by the respective parties.

There is substantial evidence that individual perceptions of “what is fair” are correlated with the economic costs and benefits implied by the respective equity criteria (for instance, Babcock & Loewenstein 1997, Dahl & Ransom, 1999). These differing perceptions are also apparent in the use of equity principles as arguments in bargaining processes (Hennig-Schmidt, 2002). This could be the case for two reasons: (i) a self-serving bias, i.e. individuals might *subconsciously* interpret fairness in a way that benefits their interests, or, (ii) a *conscious* decision on self-interested use of equity, i.e. individuals might use specific fairness notions to consciously pursue their own interest while exploiting the others’ sense of justice (see for details Konow, 2001). Also, in papers like Messick and Sentis (1979), Thompson and Loewenstein (1979) evidence for the subconscious self-serving bias has been found while Dahl and Ransom (1999) and Gächter and Riedl (2005) find relatively little evidence in this regard. In either way, a self-interested perception and/or use of equity is essential in explaining bargaining outcomes if a party successfully influences the bargaining process in its favour by referring to equity arguments.

## 5. A Comparison of the Economic Costs of different Equity Principles

---

To begin with, the paper generates predictions on the four different equity criteria the respective parties would prefer in their own self-interest by comparing the distribution of costs under the “burden sharing of abating carbon emissions” (Lange et al., 2007) in line with the equity rules. I assume that the aggregate emissions target is exogenous and for any given overall target (or equivalently, any given marginal abatement costs), the different equity criteria therefore implies a specific distribution of costs and benefits. In order to assess the distributions implied by the egalitarian, sovereignty, polluter-pays, and ability-to-pay rules, we use information on abatement costs in the respective countries, their population data, baseline carbon emissions, and GDP levels and set up the BAU Scenario (Business as Usual) and the Accelerated Scenario (i.e. with a 30 per cent CO<sub>2</sub> emissions reduction).

### 5.1 Constructing the Research Hypothesis

The projections for GDP, CO<sub>2</sub> emissions (both lifecycle and current) and populations for 2021–22 and 2031–32 have been discussed in detail in the appendix section. Coming to the methodology of calculating the emissions distribution under these equity principles, I have framed the equity principles as follows,

$$EGA : \frac{Emissions_t}{Population_t}$$

$$SOV : \frac{Emissions_t - Abatement_t}{Emissions_t}$$

$$POL : \frac{Abatement_t}{Emissions_t}$$

$$ABI : \frac{Abatement Costs_t}{GDP_t}$$

for the  $t^{\text{th}}$  year for the  $j^{\text{th}}$  country, where  $j = \{\text{India, European Union}\}$

Marginal abatement cost curves for 2021–22 are generated based on estimates derived from the energy demand model in the appendix (see also POLES model<sup>4</sup>). Table 1 contains all relevant data on the projected marginal costs and subsequently the projected costs under the different equity criteria for both the BAU scenario and the accelerated scenario. I now develop a quantitative model for the projection of growth of the future demand for energy of the Indian economy and Eurozone which would support certain basic economic targets in terms of carbon emissions. We describe in Table 1 the abatement costs under different equity conditions of the model of projection of electricity requirement or demand and supply. All scenarios assume 8 per cent overall GDP growth and alternative rates of energy conserving technical change and that of the introduction of carbon free new renewable fuels targeted at 30 per cent reduction of emissions.

---

4 See the methodology of POLES Model at <https://www.enerdata.net/solutions/poles-model.html>

## 6. Results and Discussions

**Table 1**  
Calculation of Abatement Costs

<b>Accelerated Scenario</b>					
	<b>Emission reduction costs: (USD2000/tc)<sup>#</sup></b>				
	40 tc	80 tc	120 tc	160 tc	200 tc
	<b>Total abatement costs (Bn USD2000)</b>				
<b>2021-22</b>					
EU	1.4	4.7	9.4	15.0	21.2
India	9.5	30.7	58.2	89.9	124.7
<b>2031-32</b>					
EU	1.6	7.8	16.2	25.5	36.9
India	17.2	50.5	87.1	125.4	160.1
<b>BAU Scenario</b>					
	<b>Emission reduction costs: (USD2000/tc)<sup>#</sup></b>				
	40 tc	80 tc	120 tc	160 tc	200 tc
	<b>Total abatement costs (Bn USD2000)</b>				
<b>2021-22</b>					
EU	0.9	2.4	7.4	11.3	19.1
India	5.5	24.7	50.9	81.1	110.3
<b>2031-32</b>					
EU	1.1	5.4	10.3	19.5	30.4
India	10.1	37.9	78.8	112.6	145.2

Source: Author's own computations based on the energy demand model in the appendix

<sup>#</sup>tc: tonnes of carbon per year

What are the overall implications of the projection of such abatement costs at different levels of marginal technology based plants on the one hand, and in terms of CO<sub>2</sub> emission implications on the other. These would indicate the relative physical benefit and financial cost of CO<sub>2</sub> emission reductions under the normal BAU scenario and under the accelerated scenario with 30 per cent emissions reduction. Table 1 shows that the abatement costs reduction is more under the accelerated scenario with a provision of 30 per cent emissions reduction. Table 2 provides the normative CO<sub>2</sub> emission coefficients — current as well as life cycle ones for the different generation technologies for India. However, for the EU, there is an overall coefficient as the technology-wise breakup is not available. These coefficients have been assumed for the current emission to be as per CEA norm and that for the life cycle emission to be as per IPCC norms for the generation technologies. It should

be noted that, at first, the levels of CO<sub>2</sub> emissions were calculated by multiplying the technology wise gross generation with the normative coefficients in Table 2. This is followed by calculating the abatement costs at different levels, namely, (40, 80, 120, 160, 200 USD2000/tc) of emissions reduction.

**Table 2**  
CO<sub>2</sub> emission coefficients (current and lifecycle)\_India

<b>Fuels</b>	<b>Current</b>	<b>Lifecycle</b>
Coal	1.04	0.820
Gas	0.60	0.490
Nuclear	0	0.012
Hydro storage	0	0.024
Solar PV	0	0.048
Solar CSP	0	0.048
Distributed Solar PV	0	0.048
Total Solar	0	0.048
Onshore Wind	0	0.012
Offshore Wind	0	0.012
Total Wind	0	0.012
Other Renewables	0	0.230

Source: Compiled by the author from IEA database and World Bank database

Note: For the European Union we do not have a detailed break-up available, so we make use of the components (whichever are applicable) and the total value of the coefficients on the whole.

**Table 3**

Projected costs for the terminal years of 2021–22 and 2031–32 implied by the respective equity criteria for the respective countries or groups of countries (in per cent of GDP) when marginal abatement costs are equalised at 80 USD2000/tC, corresponding to a worldwide reduction from BAU emissions by 30 per cent

<b>Accelerated Scenario</b>				
	<b>Different Equity Criteria</b>			
	EGA	SOV	POL	ABI
<b>2021-22</b>				
EU	0.323	0.055	0.062	0.049
India	-0.473	0.044	0.055	0.059
<b>2031-32</b>				
EU	0.298	0.050	0.057	0.049
India	-0.512	0.045	0.060	0.069
<b>BAU Scenario</b>				
	<b>Different Equity Criteria</b>			
	EGA	SOV	POL	ABI
<b>2021-22</b>				
EU	0.301	0.049	0.058	0.045
India	-0.422	0.039	0.051	0.052
<b>2031-32</b>				
EU	0.255	0.044	0.053	0.040
India	-0.467	0.040	0.054	0.064

Source: Author's own calculations

## 7. Stakeholder Analysis

### 7.1 For the European Union

These would indicate the relative physical benefits and financial costs of CO<sub>2</sub> emission reductions under the different equity criteria. Table 2 provides the normative CO<sub>2</sub> emission coefficients — current as well as life cycle ones for the different generation technologies under both the BAU scenario and the accelerated scenario. These coefficients have been assumed for the current emission to be as per CEA norm and that for the life cycle emission to be as per IPCC norms for generation technologies. Interestingly, the rankings of the four equity principles as per their cost effectiveness under both the scenarios remain the same. The egalitarian rule has the maximum cost; thus, it is realistically not applicable as there is no guarantee of an equal distri-

bution. Given the comparatively larger amount of emissions between 1860 and 2020 in the EU, the polluter-pays principle, based on the cumulated carbon emissions, would also be very costly for the EU (see Table 3). This is followed by the sovereignty rule and relatively the least cost wise, the ability-to-pay principle. Given the EU’s combined GDP and the sharing of abatement costs, ABI is very possible. The ranking goes as follows,

$$ABI > SOV > POL > EGA$$

## 8.2 For India

We now discuss the costs which are implied by the different equity rules for India. The ranking of equity criteria – given by the cost projections as reported in Table 3 are as follows:

$$EGA > SOV > POL > ABI$$

It is evident that India, with its large share in global population, would profit most from a strict application of the egalitarian principle. This again goes against the policies of the EU as given the level of population in EU, its per capita emissions would not go down to that extent as compared to that of India. India has a clear advantage in the context of EGA. In contrast, India would oppose a support of the polluter-pays and the ability-to-pay principles on the basis of their respective costs. The latter principle refers to the predicted high economic growth of India in the terminal years which would raise the costs associated with the ability-to-pay rule. Going by the ability-to-pay principle, the idea is to equalise abatement costs across nations. This principle would benefit the EU but would hurt India, given the level of abatement costs as a proportion of its GDP and net cost proportions being inversely correlated relative to economic circumstances. Also, the polluter-pays principle is based on the predicted large increase in emissions from India over the next decades so that the costs of the polluter-pays rule would be increased. Again, from this 30 per cent accelerated scenario, comparatively, India has the capability to reduce it further if it goes by any of the four equity principles. Interestingly, going by SOV i.e. reducing the level of current emissions proportional to the level of total historical emissions across all countries is a good option for India but given the relative cost considerations, the EU might not support it.

## 8. Policy Implications

---

In all probability, adopting a multi-criteria approach and setting it as per ‘one-size-fits-all’ is not always wise. Countries will then look to see how a specific formula affects their self-interest and then fight it out in the Climate Change Conventions. However, India would be able to increase her national emissions significantly before reaching the population-to-emissions ratio limit because of the large and rapidly growing populations and rapid economic growth. As Agarwal (2015) puts

it, India has said it aims to reduce the emissions intensity of its GDP by 33–35 per cent by 2030 from 2005 levels, and achieve 40 per cent of its cumulative electric power of around 350 GW installed capacity from non-fossil fuel-based energy resources, mainly renewable power. There are mixed responses. While some experts welcomed India's submissions stating that India's climate action plan is far superior to those proposed by the US and the European Union (EU), others said it does not fully capture the emissions it would avoid if it succeeds in meeting its renewable energy goals.

By the same token, however, allocating emission limits based on historical emissions conveys a huge advantage to the developed world, given their historically overwhelming share of emissions in GDP. So, in such a case, India will not support the ABI principle (see Table 3 for the cost effectiveness criteria). Simply extending this approach to the developing countries limits their incentives to pursue modest "win-win" emissions control in the short term, for fear that doing so would put them on a lower emissions bound and they will not be able to fight for increasing the level of emissions in future negotiations. Strategically, it is the prerogative of the policy-makers to take care of the extent of abatement costs under the different equity principles and frame policies accordingly.

As expected, given the cost in Table 3, the EU in 2031–32 as per the different equity principles, has an opportunity to reduce more emissions in line with its INDC submitted to the UNFCCC, outlining its mitigation contribution of at least 40 per cent emission reduction through domestic efforts by 2030 below its 1990 levels. Given the cost considerations are on the lower side (not to the extent, like India) this target is very feasible as per the predictions of my model.

## **9. Concluding Remarks**

---

In this paper, we put forward equity as an important element to understanding negotiating positions, using the example of international climate negotiations. Taking a traditional economic standpoint, we argued that the use of equity criteria might be driven by cost consideration of the parties. Our econometric analysis, based on data from an international survey of agents involved in climate policy, largely supported our predictions based on a cost-ranking of the respective equity criteria for the different countries or groups of countries: the perceived support of equity criteria is the stronger, the less costly this criterion is compared to alternatives.

At first, I used the data in order to establish that countries or groups of countries are seen as pushing for different equity criteria in international climate negotiation forums and not agreeing to any one in particular. Their negotiating positions are highly affected by the induced abatement costs. The differences in perceptions across the agents involved in international climate policy will establish support for versions of self-interested biases in line with the different equity principles. The

exact question is how exactly these countries use their influences in the negotiation process to turn the policy towards them. To end with, it is my belief that this potentiality of the strategic role of using equity criteria will be gaining more importance in the near future for generating a better understanding of negotiation processes – not only in international climate policy but also for India and the EU, in particular.

Many climate scientists believe that the equity problem is a property rights problem, —how rights to emit GHGs are to be allocated. Critics claim that there is no hope for solving this never ending problem. Nevertheless, there is definitely a way out for this, provided that both the developed and the developing countries continue to develop relationships that will support this long-term commitment of sharing benefits arising out of reduction in CO<sub>2</sub> emissions in a mutually agreeable fashion.

## References

- Agarwal, M. (2015). *India pledges 33–35 per cent cut in carbon emission intensity by 2030*. Retrieved from <https://www.livemint.com/Politics/ZD2z2vwZ-ktGNlzhrlujmyO/India-unveils-emission-targets-for-2030-in-UN-climate-submis.html>
- Babcock, L., Wang, X., & Loewenstein, G. (1996). Choosing the wrong pond: Social comparisons in negotiations that reflect a self-serving bias. *The Quarterly Journal of Economics*, 111(1), 1–19.
- Babcock, L., & Loewenstein, G. (1997). Explaining bargaining impasse: The role of self-serving biases. *Journal of Economic Perspectives*, 11(1), 109–126.
- Böhringer, C., & Helm, C. (2008). On the fair division of greenhouse gas abatement cost. *Resource and Energy Economics*, 30(2), 260–276.
- Bosello, F., Buchner, B., Carraro, C., & Raggi, D. (2001). *Can equity enhance efficiency?: lessons from the Kyoto protocol*. Retrieved from <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.202.1933&rep=rep1&type=pdf>
- Carraro, C., & Siniscalco, D. (1993). Strategies for the international protection of the environment. *Journal of Public Economics*, 52(3), 309–328.
- Cazorla, M., & Toman, M. (2001). International equity and climate change policy. Retrieved from <https://pdfs.semanticscholar.org/533f/53cd3e570d7e-2ae712373d479b1f2a1b2158.pdf>
- Dahl, G. B., & Ransom, M. R. (1999). Does where you stand depend on where you sit? Tithing donations and self-serving beliefs. *American Economic Review*, 89(4), 703–727.
- Engle, R. F., & Granger, C. W. J. (1987). Co-Integration and Error Correction: Representation, Estimation, and Testing. *Econometrica*, 55(2), 251–276.

- Gächter, S., & Riedl, A. (2005). Moral property rights in bargaining with infeasible claims. *Management Science*, 51(2), 249–263.
- Hennig-Schmidt, H. (2002): The Impact of Fairness on Decision Making – An Analysis of Different Video Experiments, in: Andersson, F. and H. Holm (eds.), *Experimental Economics: Financial Markets, Auctions, and Decision Making*, Kluwer Academic Publishers, Boston, Dordrecht, London, 185–210.
- Lange, A. (2006). The impact of equity-preferences on the stability of international environmental agreements. *Environmental and Resource Economics*, 34(2), 247–267.
- Lange, A., Löschel, A., Vogt, C., & Ziegler, A. (2010). On the self-interested use of equity in international climate negotiations. *European Economic Review*, 54(3), 359–375.
- Lange, A., & Vogt, C. (2003). Cooperation in international environmental negotiations due to a preference for equity. *Journal of Public Economics*, 87(9–10), 2049–2067.
- Lange, A., Vogt, C., & Ziegler, A. (2007). On the importance of equity in international climate policy: An empirical analysis. *Energy Economics*, 29(3), 545–562.
- Konow, J. (2001). Fair and square: the four sides of distributive justice. *Journal of Economic Behavior & Organization*, 46(2), 137–164.
- Messick, D. M., & Sentis, K. P. (1979). Fairness and preference. *Journal of Experimental Social Psychology*, 15(4), 418–434.
- Nash, J. F. 1950. *The bargaining problem*. *Econometrica*, 18(2), 155–162.
- Raiffa, H. (1982). *The art and science of negotiation*. London: Harvard University Press.
- Roth, A. E. (1979). An impossibility result concerning-person bargaining games. *International Journal of Game Theory*, 8(3), 129–132.
- Thompson, L., & Loewenstein, G. (1992). Egocentric interpretations of fairness and interpersonal conflict. *Organizational Behavior and Human Decision Processes*, 51(2), 176–197.

## Appendix

For analysing the energy consumption behaviour at sectoral level and overall economy level, I propose a simple model, which assumes that the demand for energy ( $EDD^i$ ) of each sector  $i$  of the economy is a function of its income ( $I^i$ ) and the real energy price it faces. The partial income elasticity of demand and the partial price elasticity are assumed to remain constant over the projections period. This gives us a demand function of the form-

$$EDD^i = A(I^i)^\alpha (RPE^i)^\beta,$$

where  $i$  = Overall economy, agriculture, industry, residential, commercial and transport sectors.

Here,

$\alpha$ , is the income elasticity of energy demand

$\beta$ , is the price elasticity of energy demand

$A$ , is the technology parameter

$\alpha$ ,  $\beta$ , and  $A$  are constant over the entire projection period.

For the purpose of econometric estimation the above model can be transformed into a double log linear model of the form-

$$\log(EDD_t^i) = \log(A) + \alpha * \log(I_t^i) + \beta * \log(RPE_t^i) + \varepsilon_t^i$$

$\varepsilon_t^i$ , is the random error component and conforms to the assumptions of the classical regression model

### Data and Sources

The econometric estimation of the model for the overall economy and for each sector requires data on energy demand, GDP that indicates the level of income or value added and the real energy price index. The nominal energy price is calculated using the fuel shares and the corresponding WPI of fuels faced by a given sector or by the aggregate economy. The real energy price is calculated by deflating the nominal price by the GDP deflator. The Private Final Consumption (PFCE) is used as an indicator of income for the residential sector. The model is estimated using data from 1990–2015. The data for energy demand is obtained from the Energy Balances of the non-OECD countries published by the International Energy Agency (IEA), the IEA database and Eurostat database for the European Union. The data for GDP and PFCE for India are obtained from the National Account Statistics, and the data for WPI prices are obtained from the RBI database (Handbook of Statistics on the Indian Economy) and the website of the Office of the Economic Advisor. Also, for

the European Union data on GDP and Gross Fixed Capital Formation, we make use of the Eurostat database.

### Estimation

We begin by applying the standard time series techniques. First to check the stationarity of the data we go for Augmented Dickey Fuller Test, the results of which have been reported in Table A1.

Given the unit root results and the order of integration, we estimate the following model,

$$\log(\Delta ED_0) = \beta \log(\Delta GDP_0) + \gamma \log(REP_0)$$

It needs that the sectoral GDP and the final energy demand of the concentrated sectors are integrated of the second order whereas the real energy prices faced by each of the sectors are integrated of order 1. For applying the Engel and Granger (1987) methodology of co-integration in single equation specification, we consider the following model,

$$\log(\Delta ED_i) = \beta \log(\Delta GDP_i) + \gamma \log(REP_i) + \epsilon \quad \text{where } i = A, I, T, R, C \text{ and}$$

$\Delta ED_i$  is the change in the energy demand of the  $i^{\text{th}}$  sector, integrated of order 1.

$\Delta GDP_i$  is the change in GDP of the  $i^{\text{th}}$  sector, integrated of order 1.

$REP_i$  is the real energy price faced by the  $i^{\text{th}}$  sector, integrated of order 1.

The co-integration results deriving the long run elasticity coefficients of sectoral energy demand and real energy price of different sectors have been reported in Table A2.

In order to project the final energy demand at the original level, we make use of the following derivation,

$$\log(\Delta ED_t) - \log(\Delta ED_0) = \beta [\log(\Delta GDP_t) - \log(\Delta GDP_0)] + \gamma [\log(REP_t) - \log(REP_0)]$$

$$\frac{\Delta ED_t}{\Delta ED_0} = \left(\frac{\Delta GDP_t}{\Delta GDP_0}\right)^\beta \times \left(\frac{REP_t}{REP_0}\right)^\gamma, t = 2015, 2016, \dots, 2041$$

$$\text{or,} \quad \Delta ED_t = \left(\frac{\Delta GDP_t}{\Delta GDP_0}\right)^\beta \times \left(\frac{REP_t}{REP_0}\right)^\gamma \times \Delta ED_0 \quad \dots \dots (1)$$

Now, projecting the energy demand at 2021, we

Calculate (1) for  $t = 2015, 2016, 2017, 2018, 2019, 2020, 2021$  and then add up these to obtain the total change from 2014–2021 and finally add it up with the base year value of 2014 to derive the final energy demand in the concerned year.

Similarly, we do it for 2031–32.

**Table A1**  
Unit Root results

Variables (order of integration)	Augmented DF test statistic	Probability
<b>INDIA</b>		
INDUSTRY_GDP (2)	-5.28	0.00*
INDUSTRY_Energy Demand (2)	-6.38	0.00*
INDUSTRY_Real Energy Price (1)	-6.11	0.00*
AGRICULTURE_GDP (2)	-13.37	0.00*
AGRICULTURE_Energy Demand (2)	-6.72	0.00*
AGRICULTURE_Real Energy Price (1)	-6.23	0.00*
RESIDENTIAL_GDP (2)	-6.46	0.00*
RESIDENTIAL_Energy Demand (2)	-5.26	0.00*
RESIDENTIAL_Real Energy Price (1)	-6.20	0.00*
COMMERCIAL_GDP (2)	-5.69	0.00*
COMMERCIAL_Energy Demand (2)	-9.16	0.00*
COMMERCIAL_Real Energy Price (1)	-6.24	0.00*
TRANSPORT_GDP (2)	-4.34	0.01*
TRANSPORT_Energy Demand (2)	-5.46	0.00*
TRANSPORT_Real Energy Price (1)	-6.27	0.00*
OVERALL_GDP (2)	-6.33	0.00*
OVERALL_Energy Demand (2)	-7.12	0.00*
OVERALL_Real Energy Price (1)	-4.23	0.01*
<b>EUROPEAN UNION</b>		
INDUSTRY_GDP (2)	-6.81	0.00*
INDUSTRY_Energy Demand (2)	-6.44	0.00*
INDUSTRY_Real Energy Price (1)	-5.97	0.00*
AGRICULTURE_GDP (2)	-11.3	0.00*
AGRICULTURE_Energy Demand (2)	-5.72	0.00*
AGRICULTURE_Real Energy Price (1)	-4.66	0.00*
RESIDENTIAL_GDP (2)	-7.61	0.00*
RESIDENTIAL_Energy Demand (2)	-5.26	0.00*
RESIDENTIAL_Real Energy Price (1)	-5.30	0.00*
COMMERCIAL_GDP (2)	-5.98	0.00*
COMMERCIAL_Energy Demand (2)	-8.21	0.00*
COMMERCIAL_Real Energy Price (1)	-7.42	0.00*
TRANSPORT_GDP (2)	-5.44	0.01*
TRANSPORT_Energy Demand (2)	-6.21	0.00*
TRANSPORT_Real Energy Price (1)	-7.71	0.00*
OVERALL_GDP (2)	-5.83	0.00*
OVERALL_Energy Demand (2)	-8.22	0.00*
OVERALL_Real Energy Price (1)	-7.11	0.01*

\* denotes significance at 95 per cent level

**Table A2**  
Long run elasticity coefficients results

<b>Variables (logarithm)</b>	<b>Elasticity Coefficients</b>	<b>Probability</b>
<b>INDIA</b>		
Dep Var: $\Delta$ (INDUSTRY_Energy demand)		
$\Delta$ (INDUSTRY_GDP)	0.83	0.00*
INDUSTRY_Real Energy Price	0.03	0.00*
Dep Var: $\Delta$ (AGRICULTURE_Energy demand)		
$\Delta$ (AGRICULTURE_GDP)	0.75	0.00*
AGRICULTURE_Real Energy Price	0.12	0.06
Dep Var: $\Delta$ (RESIDENTIAL_Energy demand)		
$\Delta$ (RESIDENTIAL_GDP)	0.72	0.00*
RESIDENTIAL_Real Energy Price	-0.02	0.00*
Dep Var: $\Delta$ (COMMERCIAL_Energy demand)		
$\Delta$ (COMMERCIAL_GDP)	0.62	0.00*
COMMERCIAL_Real Energy Price	-0.38	0.00*
Dep Var: $\Delta$ (TRANSPORT_Energy demand)		
$\Delta$ (TRANSPORT_GDP)	0.88	0.00*
TRANSPORT_Real Energy Price	-0.08	0.00*
<b>EUROPEAN UNION</b>		
Dep Var: $\Delta$ (INDUSTRY_Energy demand)		
$\Delta$ (INDUSTRY_GDP)	0.78	0.00*
INDUSTRY_Real Energy Price	0.06	0.00*
Dep Var: $\Delta$ (AGRICULTURE_Energy demand)		
$\Delta$ (AGRICULTURE_GDP)	0.61	0.00*
AGRICULTURE_Real Energy Price	0.09	0.06
Dep Var: $\Delta$ (RESIDENTIAL_Energy demand)		
$\Delta$ (RESIDENTIAL_GDP)	0.88	0.00*
RESIDENTIAL_Real Energy Price	-0.04	0.00*
Dep Var: $\Delta$ (COMMERCIAL_Energy demand)		
$\Delta$ (COMMERCIAL_GDP)	0.62	0.00*
COMMERCIAL_Real Energy Price	-0.38	0.00*
Dep Var: $\Delta$ (TRANSPORT_Energy demand)		
$\Delta$ (TRANSPORT_GDP)	1.01	0.00*
TRANSPORT_Real Energy Price	-0.07	0.00*

\* denotes significance at 95 per cent level



# The Development of Foreign Language Professional Competencies of Public Administration Students

*Guliya K. Nurlybaeva<sup>1</sup>*

## Abstract

The Policy of the Departments of Language Training for future public administration (PA) servants in Europe was formed on the basis of the analysis of foreign language competencies development carried out by the author at the Institute for Social Sciences of Russian Presidential Academy of National Economy and Public Administration (RANEPA).<sup>2</sup>The analysis included the definition and formulation of tasks, goals, curriculum technologies, the methodological support of foreign language teaching, textbooks analysis etc. The research methods include theoretical research, analytical research methods, methodology of empirical research, methods of comparative research, etc. The conclusions made on the results of the analysis make it possible to outline the methods for the improvement of the programmes, making them have a more practical character, and to give some general recommendations to the teachers and education managers thus forming The Policy of the Departments of Language Training – the Policy which fits NISPAcee’s strategy and goals.

- 
- 1 London Metropolitan University, English Language Department, The Institute for Social Sciences at Russian Presidential Academy of National Economy and Public Administration (RANEPA), Russian Federation.
  - 2 Russian Presidential Academy of National Economy and Public Administration (RANEPA) was founded by Presidential Decree on September 20, 2010. This foundation involved the merger of two previously existing academies: The Academy of National Economy (ANE), which was established in 1977, and the Russian Academy of Public Administration (RAPA), established in 1991. The merger also brought together 12 other state educational institutions. <https://www.ranepa.ru/eng/about-academy-ranepa/at-a-glance>

## **Goal**

---

In the XXI century civil servants fully implementing the strategic goals of public administration must have high foreign-language professional competencies.<sup>3</sup> In this regard, the process of the development of these competencies is of particular relevance. It requires careful study and improvement. As the core of NISPAcee’s activities is to promote the development of public administration disciplines and training programmes, increasing the quality of instruction and research on international, regional and national levels, the Policy of the Departments of Language Training, worked out by the author of the paper, may be considered relevant for NISPAcee activity because it is aimed at the development of foreign-language professional competencies of future PA servants. The results of the Policy implementation are expected to contribute to the practical side of public administration development on the international level and to make public service in Europe more effective.

## **Policy Client/Audience/Target Group**

---

The target group that the Policy of the Departments of Language Training should influence includes, first of all, a number of academic institutions which are responsible for the training of future public servants and their certification. Some leading universities with PA specialities, which should raise the level of foreign language competencies development of students, are shown in the Table below.

## **Policy Aims**

---

The target for the Policy of the Departments of Language Training and the aim of the Policy implementation is, in the long run, the development of civil service human resources by spreading the practices of professional development in the field of mastering the foreign language competencies needed for public management, public policy and governance at both the national and international levels. Spreading the practices of foreign language competencies development will help to adapt the level of future civil servants in Europe to the modern qualification requirements for civil service positions taking into account the international character of public administration functioning. While implementing the Policy recommendations, the Policy Clients, in our opinion, are supposed to make public service more effective.

---

3 The Concept of Sustainable Development until 2030, adopted by the UN in 2015, the “Strategy of Innovative Development of Russia until 2020”.

Table 1

<b>The University, Providing Training of Public Servants</b>	<b>The Contents of PA Education at the University</b>	<b>Teaching Foreign Languages at the University</b>
RANEPA – a recognised expert in the field of higher and additional professional education of civil servants	The basis for the leading positions of the Academy in this segment are many years of experience, the highest quality of education, practice-oriented training, unique teaching staff	The mission of the Department of Foreign Languages is to provide training of qualified management personnel of a new type with knowledge in the field of foreign language professional and intercultural communication on the basis of the principles of innovative effective higher education and to create a single educational platform in the field of foreign languages teaching
PFUR – Peoples Friendship University of Russia	The graduates of the bachelor's and master's degrees of the PA faculty are ready for professional official activity on execution of powers of public authorities, can fully take part in the development and implementation of administrative decisions, to carry out other various types of works which are included in the duties of the state and municipal employees	Students during their studies have the opportunity to obtain an additional qualification of translator. This programme includes training, not only on practical course of foreign language (spoken foreign language business communication and the language of PA), but also in the framework of this programme, students improve language skills by practising oral and written language, and the study of special theoretical courses
State University of the Management of State and Municipal Administration	Graduates of a bachelor's degree have knowledge and skills in the field of social and public administration, modern economy, administrative and legal management methods, public relations	Currently, the Department of English language trains bachelors and masters in all areas of training, it conducts entrance tests for admission to graduate school with further training of graduate students to pass the candidate minimum exam in English.
Moscow State University	The faculty of public administration is one of the modern and dynamically developing faculties of Moscow University. Based on the best national traditions of training highly qualified University level, the faculty seeks to form students' competencies that meet the standards of the world's leading centres of training for public service	The faculty has a comprehensive system of foreign languages training, which includes undergraduate, graduate, additional education, postgraduate and doctoral studies, preparatory courses for students

## Background of the Problem

---

Public policies for the education and training of civil servants in all countries of the world address the common goals and objectives of public service. At present, the professional mission of public administration is determined by the social nature of the public service, the main purpose of which is to serve people of various social, economic, political, ethnic, religious groups, and unite them with a common interest, both within the state and at the international level. As is mentioned in NISPAcee mission documents, “NISPAcee is an arena for East – East collaboration through assisting, mediating and facilitating joint research, educational and training programmes and discussions between instructors, civil servants, trainers, public sector managers and politicians”<sup>4</sup> In this regard, the problem of the development of foreign language professional competencies of students studying at the faculties of public administration is of particular relevance, and it requires careful analysis. Basic fundamental and applied problems (hypotheses) solved in the framework of the study are the following: the research and the improvement of the process of the development of foreign language professional competencies of PA students will improve the quality of language training of civil servants in accordance with the new qualification requirements for civil service positions of senior and higher groups of civil servants in the XXI century. The academicians who have researched civil service and foreign language teaching in Russia and abroad (I. Korotkina (Russia), V. Kareva (Macedonia), Jim Scrivener (UK) etc.) stressed the importance of the problem of the development of foreign-language competencies of future public servants: “The institutions from the public sector, such as different governmental bodies, ministries, the local government, public enterprises, the courts and other public organisations need administrators with good communicative skills in English for their contacts with the international community and the representatives of international organisations in the country on topics and with vocabulary related to the field of public administration and politics”<sup>5</sup> In our opinion, good communicative skills in English help public servants in Europe raise their professional standards in order to correspond to the Concept of Sustainable Development until 2030, adopted by the UN in 2015. Foreign language training of public service personnel in Russia should be carried out in accordance with the qualification requirements of the “Strategy of Innovative Development of Russia until 2020”. So the public servants of upper and top levels, both in Europe and in Russia, should have high foreign language professional competencies because now these competencies are an integral part of qualification requirements for PA servants.

We have considered the above-mentioned publications and drew the conclusion that now the problem of the development of public administration foreign

---

4 NISPAcee mission documents, nispacee.org.

5 Veronika Kareva English for specific purposes: Public administration and political sciences Procedia – Social and Behavioral Sciences 70 (2013) 1477–1481.

language professional competencies gains special actuality. The use of textbooks, which contain only information about the history of public administrations in different countries, about theoretical problems of public administration functioning in different countries and at different times as well as the discussion of the problems of business English use, are not quite sufficient for the modern tasks of public administration. There exists a gap between the real practical needs in foreign language competencies of public servants and the contents taught during language training at PA faculties of universities. In our opinion, teaching English for Special Purposes for public administration and the development of foreign language competencies at PA faculties of universities requires a more practical approach – the new alternative to the existing policy of teaching PA students. New qualification requirements of public servants in the XXI century as well as practical needs of public service should, first of all, be taken into account. The programmes of study should not only include general information about public service as they often seem to do now. In our opinion, foreign language teaching programmes at PA universities should be ‘tailor-made’ for public service students, and specially prepared for them. That means that the programmes for every study profile connected with public administration, for example, sociology, psychology, management, political science etc. should be compiled with due account of needs analysis of the students of every specialty. Though some general above mentioned theoretical and historical information about public service may also be included, the language programmes should not be limited to such information. The practical approach to the creation of the programmes should be applied, when in the first place the communication skills of PA students and other necessary foreign language competencies should be developed. So the new Policy of the Departments of Language Training should be worked out as the alternative to the existing policy of teaching PA students.

## **Alternatives**

---

The new Policy of the Departments of Language Training is considered to be the alternative to the former Policy of teaching a foreign language. The aim of our research was to find out which components of the new programmes of PA studies of the Institute for Social Sciences (ISS)<sup>6</sup> at RANEPA could contribute to the development of foreign language competencies of PA students and could be included in this Policy.

The principle “from theory to practice” should be observed when compiling the programmes for the new alternative Policy of the Departments of Language Training because, as we know, the former studies were based mainly on the theoretical and historical texts about PA, which though they helped a lot in the theoretical education of PA students, still could not help them in practical communication with

---

6 ISS – the Institute for Social Sciences of RANEPA.

each other and with citizens and did not develop the practical skills necessary for their work as public servants. The previous Policy of ESP learning has been used for many years, but it is no longer effective. We have compared both the previous Policy and the Policy of the Departments of Language Training proposed by the author. A set of criteria such as effectiveness, efficiency, administrative feasibility and political feasibility of both policies has been compared by the author in both cases.

Now we shall discuss how the implementation of the alternative Policy will lead to the expected results of this Policy introduction.

First of all, the basis for studying a professional English language should be created. In our case, such a basis has been provided by the courses for the First Cambridge Certificate exam (the first and second courses of study) and IELTS exam (the third and fourth courses of study) to provide the uniformity of English language competencies development for all students at the same level. It is important because all students enter the Academy with different language competencies, so they need some common knowledge and skills to start with. In our case, these standards were taken because the ISS cooperates officially with the Cambridge Assessment Centre in Moscow. Standards for English competencies development, such as TOEFL or some other English competencies development standards may be used by other universities depending on circumstances and the students' command of the foreign language.

The necessity of thorough students' needs analysis and the deeper analysis, such as the so-called 'purpose mining', should help in creating practical programmes for every profile of the study and for the different levels of the students. The questionnaires concerning the needs analysis should be distributed amongst students of every speciality. In our opinion, the questionnaires allow the saving of time in class because the interviewing of all the students usually takes more time. Of course, it should be helpful to make the same analysis for the potential employers of the students, but this is not so easy. So, we used only the needs analysis of the ISS students of four specialities (Liberal Arts, Psychology, Management, and Politicalology). We have chosen these four specialities because they are the most popular amongst students and involve more students than other specialities. This analysis helped the teachers to build the programmes for developing the skills and competencies (Reading, Listening, Writing and Speaking) that were pointed out by the needs analysis of the students. One more important thing following on from the needs analysis results is the necessity for compiling programmes in close collaboration with profile teachers who can help a language teacher choose the topics for discussion and the appropriate vocabulary for every speciality. Profile teachers can also supply students and language teachers with a list of professional literature on this or that profile of study.

We have found that the development of professional foreign language PA vocabulary is very important when teaching future public servants. After a thorough

students' needs analysis we came to the conclusion that overall, understanding of the main PA terms should help better cooperation of PA servants in Europe. The epoch of globalisation and closer international communication in the XXI century requires the creation of the International PA English Vocabulary and PA Vocabularies in other languages. The course 'Social and Political Vocabulary' was created and introduced at the ISS, RANEPa, Moscow, for every profile of study. It took approximately one-third of the entire programme of study in every profile. The course 'Social and Political Vocabulary' created at the ISS of RANEPa, Moscow, may be considered to be a contribution to the International PA English Vocabulary. Besides, the course will help students to develop all of the above mentioned English language competencies for their practice while studying or working as PA servants.

Modern technologies of teaching a foreign language should be used during studies to bring them closer to practice. Amongst them are modular training technologies, business and role games, collective problem solving, group discussions etc. They are widely used at the ISS of RANEPa, Moscow, in line with E-learning technologies and digital media use in all the disciplines of study. E-learning technologies help the students obtain the necessary information, ideas, to solve problems, to make up projects, to communicate with each other on the actual topics, and to do home work etc. They help future public administrators to obtain the necessary skills for real life work, because digital means are becoming more and more popular in PA work and in work with citizens. E-learning contributes a lot to the development of foreign language competencies as a part of the development of general proficiency competencies of PA servants, so at the ISS of RANEPa, Moscow, special attention is paid to the E-learning of the students.

The example of E-learning is the creation of online courses for different specialities of PA students at the third and the fourth courses of study at the Academy. They cover such profiles of study as Liberal Arts, Psychology, Management, Politology, and some others. Creating the effective learning environment and compiling the English programmes of the courses is carried out in close collaboration with profile teachers. The list of the obligatory and supplementary literature in English on all the subjects of study is also provided by profile teachers.

One more stage of work at the third and the fourth courses of study is a Project Design work. The students are taught to carry out a research work, make up a Project in English, and make a presentation at the students' conferences of RANEPa, Moscow, or at other conferences with an appropriate subject or topic. The course of Academic Writing helps the students to obtain the skills necessary for presenting the results of their work.

Our research showed that the development of foreign language competencies and practice oriented study of professional English at the ISS of RANEPa, Moscow, made it possible for PA students to be closer to real life goals of public administration, and to better fulfil their PA tasks after graduation from the Academy. All new

parts of the ESP programmes of ISS have been included in the assessment procedure during the final exams, and the results have demonstrated the grade of the students’ readiness to use English for communication purposes and for work with citizens in their future work as PA servants.

## **Stakeholders Analysis**

---

The first group of stakeholders of the Policy of the Departments of Language Training in academic institutions consists of elected officials, municipal leaders, staff and education management, public sector managers and politicians. Their final goal is to provide proper performance of public servants (including the provision of necessary foreign language competencies for PA servants). Staff and education management elaborate modern education policy, provide education quality standards, and carry out retraining of the senior managers (“train the trainers” programmes).

The second group of stakeholders includes the personnel of the universities and PA schools: teachers of foreign languages, trainers and instructors, tutors and education managers. Their aim is the creation of effective training programmes for the students, research programmes (PA programmes updated in close cooperation with students through feedback), programmes for lifelong learning, and retraining of personnel.

Citizens, students, and civil servants may be considered as the largest third group of stakeholders. Their needs, expectations and ideas might be very important, both when initiating the programmes, and throughout the entire learning period (constant feedback for updating the programmes).

## **Consultations**

---

Spreading the practices of good professional public management, public policy and governance which make public service more effective, including spreading the Policy of the Departments of Language Training, requires thorough consultations of public service representatives and experts from member institutions of NISPAcee. Discussions between instructors, civil servants, trainers, and public sector managers are required before the implementation of the Policy of the Departments of Language Training at academic institutions of NISPAcee. The implementation of the Policy also requires the consultations of experts in the field of language training as well as of profile teachers of PA students at all stages of this Policy implementation, because the conditions of the implementation of the Policy, based on the research presented by the author, may differ in different countries, so the recommendations suggested by the Policy of the Departments of Language Training should be adapted to every academic institution with the help of consultants from these institutions

as well as the academicians who discussed the Policy during the latest NISPAcee conference.

## **Policy Recommendation**

---

In our opinion, **the Policy of the Departments of Language Training in academic institutions of NISPAcee should be based on the uniform level of language competencies development of PA students.** Students need some common knowledge and skills to begin with. These should be provided by common General English courses as in our case, when the uniformity was achieved by the exams for the First Cambridge Certificate (the first and second courses of study) and IELTS exam (the third and fourth courses of study). The exams showed the grade of the students' readiness to use English for communication purposes and for work with citizens in the future.

What should be done before teaching students and developing their language competencies?

**Needs analysis and deeper analysis, such as the so-called 'purpose mining', should help the teachers to create practical programmes for every profile of the study and for different levels of the students.** The programmes of study should be compiled in close collaboration with profile teachers who can help a language teacher choose the topics for discussion and the appropriate vocabulary for every specialty.

**For teaching future public servants, the main PA terms which should help better cooperation of PA servants in Europe, the development of professional foreign language PA vocabulary is very important.** The epoch of globalisation and closer international communication in the XXI century requires the creation of the International PA English Vocabulary and PA Vocabularies in other languages. This work should be done by teachers of English, together with profile teachers and instructors.

**Modern technologies of teaching a foreign language should be used during studies to make them closer to practice.** Amongst them are modular training technologies, business and role games, collective problem solving, group discussions etc. **Creating the effective learning environment by implementing E-learning technologies and digital media in all the disciplines of study, the creation of on-line courses for different specialities of PA students will help students obtain the necessary information and ideas, to solve problems, to make up projects, to communicate with each other on the actual topics, and to do home work etc.** E-learning technologies help future public administrators to obtain the necessary skills for real life work, because digital means are becoming more and more popular in PA work and in work with citizens.

**The students should be taught to carry out a research work and Project Design work, to make up a Project in English, and to make a presentation at the students’ conferences.**

In our opinion, implementing the Policy recommendation shall promote both human capacity building and institutional development in public administration and bring about considerable synergetic effects to all NISPAcee member institutions.

## **Conclusion**

---

The new Policy of the Departments of Language Training, in our opinion, contributes to the creation of an educational and methodical base for the formation and development of foreign language professional competencies of students, undergraduates and postgraduates studying at the faculties of public administration. The materials and the results of the research may be used by practitioners in public administration and public policy education, which will make it possible to improve the quality of language training of future civil servants.

The results of our research may be used for methodological support of professional training of persons who are going to hold positions of senior and higher civil service; for cooperation in the field of international activities of public authorities; for qualitative improvement of education standards in the field of training of civil servants, and for their better communication and work with citizens etc. We hope that the new Policy of the Departments of Language Training will help the ESP teachers to create an effective learning environment for future public servants.

## **References**

---

- Belcher, D. (2006). English for Specific Purposes: Teaching to Perceived Needs and Imagined Futures in Worlds of Work, Study, and Everyday Life. *TESOL Quarterly*, Vol. 40, No. 1 (Mar., 2006), pp. 133–156 Published by: Teachers of English to Speakers of Other Languages, Inc. (TESOL) Stable URL: <http://www.jstor.org/stable/40264514>
- The Concept of Sustainable Development until 2030, adopted by the UN in 2015.
- C. Connolly Knox. Teaching Grammar and Editing in Public Administration: Lessons Learned from Early Offerings of an Undergraduate Administrative Writing Course. *JPAE* 19 (3), 515–536.
- Dual Language Professional Competencies. Performance Outcomes and Performance Indicators ©Discipline-Based Dual Language Immersion Model AG-MUS Ventures, Inc. 2013© December 16, 2013.
- Dudley-Evans, T., St. John, M. J. (1998). *Developments in ESP. A Multi-Disciplinary Approach*. Cambridge University Press.

- Echevarria, J., Vogt, M. E., Short, D., J. (2008). Making Content Comprehensible for English Learners.
- Education Policy Analysis Archives. A peer-reviewed open access scholarly electronic journal publishing education policy analysis since 1993 established by Gene V. Glass (Arizona State University).
- Graham, J., G., Beardsely, S. (1986). English for Specific Purposes: Content, Language, and Communication TESOL Quarterly, Vol. 20, No. 2. pp.227–245  
Published by: Teachers of English to Speakers of Other Languages, Inc. (TESOL) Stable URL: <http://www.jstor.org/stable/3586542>
- Guy Brook-Hart and Vanessa Jakeman Complete IELTS Bands 6.5–7.5 with CD-ROM p.192.
- Hadfeld, M., Dhillon, J., Jopling, M., Goffe, R. (2012). Modern Universities Changing Lives. Million +.Centre for Research and Development. University of Wolverhampton. [www.millionplus.ac.uk/research/index](http://www.millionplus.ac.uk/research/index)
- Hutchinson T., Waters A. (2002). English for Specific Purposes. Cambridge University Press. p 16–19.
- Kareva Veronika. English for Specific Purposes: Public Administration and Political Sciences Procedia – Social and Behavioral Sciences 70 (2013) pp. 1477–1481.
- Korotkina I. English for Public Policy, Administration and Management. М: Издательство Юрайт, 2017. – 229 с.
- Richard Mann, Nick Kenny, Jan Bell, Roger Gover. First EXPERT Student’s Resource Book with key. Third Edition – with March 2015 Exam Specifications Pearson Education Limited 2015 p.176.
- NISPACEE mission documents, [nisspacee.org](http://nisspacee.org)
- Scrivener Jim Teaching Notes, March, 2019.
- The “Strategy of Innovative Development of Russia until 2020”.
- Вербицкая Л. А. Глобализация и интернационализация в образовании и важность изучения иностранных языков <http://geum.ru/doc/work/33455/index.php>
- Друцко Н. А. Многоуровневый подход к организации обучения иностранным языкам в контексте академической мобильности/ //Гуманитарные научные исследования. 2015. № 1 [Электронный ресурс]. URL: <http://human.snauka.ru/2015/01/9259>
- Крупченко А. К., Кузнецов А. Н. Основы профессиональной лингводидактики: Монография. – М.: АПКППРО, 2015. – 232 с.

- Крупченко, А. К. Иноязычное образование в условиях глобализации и интернационализации/А. К. Крупченко/ /European Social Science Journal, 2014, № 9, том 1.
- Нурлыбаева Г. К. Система обучения в магистратуре Лондонского столичного Университета (Великобритания) по программе «Государственное и муниципальное управление»: информационно-аналитические материалы. М.: Академия управления МВД России, 2014. - 51 стр.
- Формирование общеевропейского образовательного пространства: задачи для российской высшей школы [Текст]/М. В. Ларионова [и др.]; М-во образования и науки Российской Федерации, Гос. Ун-т – Высшая школа экономики. – М.: Изд. дом ГУ ВШЭ, 2004 – 524 с.

## Appendix 1

### Evaluation Tools and Criteria for the Assessment of Students on the Discipline “English Language” (1 term, 2018–2019 academic years)

In the development of the curriculum, the selection of educational materials and assessment tools, as well as in the development of criteria for assessing students' progress, we focus on the “Common European Framework of Reference: Learning, Teaching and Assessment”.

The Chair of English language of the Institute of Social Sciences (ISS), PANE-PA, Moscow, adopted a score-rating system of assessment, according to which the student can score 100 points during one term, and they are distributed as follows:

#### 1 and 2 course

<b>1 module – maximum 15 points</b>	<b>Modular control work– maximum 10 points</b>	<b>2 module – maximum 15 points</b>	<b>Credit/exam – maximum 60 points</b>
5 points – for attendance 10 points – for work on the course of “General English”	10 points	5 points – for the work on the course “Social and Political aspect of the English language” 10 points – for work on the course of “General English”	Written work – 30 points Oral exam– 30 points

#### 3 course

<b>1 module – maximum 15 points</b>	<b>Modular control work– maximum 10 points</b>	<b>2 module – maximum 15 points 2</b>	<b>Credit/exam – maximum 60 points</b>
5 points – for attendance 5 points – for project work 5 points – for work on the course “English for Academic Purposes” or “General English”	10 points	5 points – for the work on the course “English for Specific Purposes” 5 points – for project work 5 points – for work on the course “English for Academic Purposes” or “General English”	Written work – 30 points Oral exam– 30 points

## 4 course

<b>1 module – maximum 20 points</b>	<b>Modular control work– maximum 20 points</b>	<b>2 module – maximum 20 points</b>	<b>Credit/exam – maximum 40 points</b>
5 points – for attendance 15 points – for work in the classroom	20 points	5 points – for attendance 15 points – for work in the classroom	Written work – 20 points Oral exam– 20 points

Project work suggests the creation of a project on the topic corresponding to the theme of the major subject. The developed skills are: creating one's own project, proving its relevance and its novelty, the skill of defending one's own project, the skill of writing and speaking on a professional topic. It is supposed that the projects should be defended at the Department of Foreign languages, the managers and teachers of the profiles being invited.

## Appendix 2

### Evaluation Tools and Criteria for the Assessment of Students on the Discipline “English Language” (2 term, 2018–2019 academic years)

In the development of the curriculum, the selection of educational materials and assessment tools, as well as in the development of criteria for assessing students' progress, we focus on the “Common European Framework of Reference: Learning, Teaching, and Assessment”.

The Chair of English language of the Institute for Social Sciences (ISS), PANE-PA, Moscow, adopted a score-rating system of assessment, according to which the student can score 100 points during one term, and they are distributed as follows:

#### 1 and 2 course

<b>1 module – maximum 15 points</b>	<b>Modular control work – maximum 10 points</b>	<b>2 module – maximum 15 points</b>	<b>Credit/exam – maximum 60 points</b>
5 points – for the work on the course “Social and Political aspect of the English language” (for weak and strong groups) 10 points – for work on the course of “General English” (15 points for weak groups)	10 points	5 points – for the work on the course “Social and Political aspect of the English language” (for weak and strong groups) 10 points – for work on the course of “General English” (15 points for weak groups)	Written work – 30 points Oral exam– 30 points

#### 3 course

<b>1 module – maximum 15 points</b>	<b>Modular control work – maximum 10 points</b>	<b>2 module – maximum 15 points</b>	<b>Credit/exam – maximum 60 points</b>
5 points – for the work on the course “English for Specific Purposes” 5 points – for project work 5 points – for work on the course “English for Academic Purposes” or “General English”	10 points	5 points – for the work on the course “English for Specific Purposes” 5 points – for project work 5 points – for work on the course “English for Academic Purposes” or “General English”	Written work – 30 points Oral exam– 30 points

Project work suggests the creation of a project on the topic corresponding to the theme of the major subject. The developed skills are: creating one's own project,

proving its relevance and its novelty, the skill of defending one's own project, the skill of writing and speaking on a professional topic. It is supposed that the projects should be defended at the Department of Foreign languages, the managers and teachers of the profiles being invited.

# Building a Cybersecurity Ecosystem in a Hungarian City – The Potential for Innovative Growth

*Judit Szakos<sup>1</sup>, Tamas Szadeczky<sup>2</sup>*

## Abstract

In Hungary cybersecurity business can be one of the key sectors for the CEE region to boost and facilitate, not just regulate and fend off, cyber space activities. In order to achieve this, there are many bottom-up and horizontal linkages which are not yet fully integrated into the Hungarian cybersecurity ecosystem.

The conducted research behind this policy paper shows which state, university, business and NGO-related cybersecurity actors exist in Hungary and how to use its result as a regional development tool. Based on this, our policy recommendation concludes that a western Hungarian city, Veszprém, which is mostly famous for its automotive industry, has the potential to become a hub for both IT and cybersecurity. This snapshot can help to form a market-creating and mission-oriented policy framework in the direction of building a regional cybersecurity hub for the local and national knowledge-based economic growth.

## Goal

During the last three decades “ICT and the Internet have been at the forefront of the technological transformation of critical infrastructures and services, businesses, and society.” (Hathaway, 2013) E-government, e-banking, e-health, e-learning, and Internet of Things (IoT) and other innovative initiatives – mostly related to Industry 4.0 – connote new approaches from all related actors. Related to them, the importance of cybersecurity is increasing. This includes cybersecurity-related products (e.g. antivirus software, audit applications, security devices) and Security-as-a-Service. Recognising cybersecurity as a possible breaking point could

---

1 Faculty of Science of Public Governance and Administration, National University of Public Service, Budapest, Hungary.

2 Faculty of Science of Public Governance and Administration, National University of Public Service, Budapest, Hungary.

help Hungary find a niche to innovate and become a Central European cybersecurity centre.

Connecting existing linkages of universities, business, NGOs and state-related actors and using them as a base for an up and coming regional centre which can boost the development of an innovation system is a possible way (Quintuple Helix Model). The geographical location also suits working with actors all around Europe. It can generate a positive upward spiral as a long-term positive impact, not only in cybersecurity, but in many IT-service related fields.

Therefore, the aim of this policy paper is to focus on which steps are required to help the chosen city become a cyber security hub, not only in Hungary, but in Central Europe.

### **Policy Client/Audience/Target group**

To reach this goal, all relevant actors must cooperate in synergy with the cooperation-based innovation models, and therefore this paper is addressed to IT and cybersecurity businesses, the relevant educational institutions, state-related actors both from civilian life and the army (with special attention to local government and the country of the chosen city), academic, research and professional organisations, business incubators, venture capital companies and angel investors. In the case of the chosen city, Veszprém, some of them are already located there (University of Pannonia), and some have to be built.

The role of the National Cybersecurity Coordinator, together with the National Cybersecurity Coordination Council, must be emphasised as a target group as they are authorised to try to organise and boost cooperation between actors.

### **Policy Aims**

The aim of this policy is to create a cybersecurity centre or so-called hub in a Hungarian city, Veszprém, located in the west of Hungary.

Therefore, we recommend identifying the potential existing points in the region's ecosystem which are related to cybersecurity and connect them together. Afterwards, using the good practices of the region in university-business connections, dual education and research grants can be the basis for building up a strong and interrelated cybersecurity cluster, using the connections mentioned in the first point.

These connections should build on educational, research, business, NGOs and state-supported strategic planning, where an official platform can guarantee continuous dialogue and development. This could reflect on the weakness highlighted in the Hungarian National Smart Specialisation Strategy, that “the determination of the faculties and the training programmes of higher education do not reflect the

economic needs, so young people find it difficult to find employment and end up moving away from rural towns, which has a negative effect on a sustainable society.” (National Smart Specialisation Strategy, 2014, 31.)

## **Background of the Problem**

---

One can say that “the impact the Internet has already had on education, communication, business, science, government, and humanity” (Evans, 2011, 2.) is enormous and is increasing. This “together with the information communications technology (ICT) that underpins it, is a critical national resource for governments, a vital part of national infrastructures, and a key driver of socio-economic growth and development.” (Klimburg, 2012, 2.)

Together with the fact that we face a new industrial revolution, digital technologies come to the forefront and change our economy and society – even the way we manufacture. If we accept Industry 4.0 “as a policy-driven discourse to institutionalise innovation systems in manufacturing” (Reischauer, 2018, 4.) then this “view makes it clear that political actors are instrumental in shaping and driving Industry 4.0 by including very different players in the discourse and thereby creating a shared understanding of a future state of an economic sector.” (Reischauer, 2018, 7.)

However, Internet 4.0 has the threat of various cybersecurity and data privacy issues where traditional and new types of challenges have to be met. (Thames – Schaefer, 2017).

Hungary is traditionally strong in IT-related fields, and its roots of information security go back some decades (for tangible evidence, see Árkos, 2018; Székála-Munk, 2018) so it is a suitable knowledge-based, innovative activity which can be supported to boost one of the regions (form a local cluster or so-called hub) in the country, which is the key to being competitive in today’s global economy.

Another important argument for investing in cybersecurity is that in Hungary “the resource demand per researcher of the highly innovative IT services, which are increasingly important from the perspective of the economy, is only slightly above the average of the national economy.” (National Smart Specialisation Strategy, Hungary, 2014, 19–20.)

Lengyel collects the attributes of its successful development from literature which must include; competitive and collaborative, spatial concentration and suitable agglomeration, endogen bottom-up regional strategies, place-based integrated economic and social programming, involvement of local actors and traded regional clusters, together with the above mentioned knowledge-based, innovative activity. Although in a metropolitan city this can develop spontaneously, in a non-metropolitan surrounding it requires a smart, sustainable and inclusive

growth policy (Lengyel, 2018, 17–18.). This means active state (local authority) involvement is required.

Therefore, taking many factors into account, we recommend setting a cybersecurity hub in the city of Veszprém. The city has approximately 56,000 inhabitants and it is also the capital of Veszprém County, which has more than 346.000 inhabitants. According to the city’s investment brochure, 600,000 inhabitants live within a radius of 50 km. Veszprém is well-connected to the capital, Budapest, which is the main business, IT and transportation centre and close to Győr (the car industry centre) and Zalaegerszeg (self-driving cars test centre). Austria, Croatia, Slovenia and Slovakia are also within a reasonable distance from there (120–150 km) (Figure 3). Infrastructure and transportation are appropriate, which has been proved by the many international corporations that have businesses and/or manufacturing centres there (in the automotive, food, electronics and machine industries). There are three international airports within 1.5 hours (Budapest, Győr-Pér, and Sármellék).

According to public information, the city has a “well-developed industry and – with the adoption of up-to-date technologies and methods – a qualified labour force speaking foreign languages.” Veszprém is a centre of education (with 2 universities with 8.000 university students and 19 secondary schools with 5.000 students), “The City’s strength is the university, which is not common in this size of city. The university offers education in five branches of science, including engineers, IT professionals, and economists. It also has a high quality and investor friendly vocational education.” (Invest In Veszprém)

The public service within the city is market-friendly, with all information on how to start a business, taxation and regulations, easily found online. The country’s regional development plan aims to “strengthen the presence of the 21<sup>st</sup> century’s innovative, knowledge-based economic fields, services and institutes.” (2014, 19.) Although this area is not listed, cybersecurity services can easily fit into the priorities of the strategy.

## **Alternatives**

---

As one can see from our two statements, cybersecurity is an already important and ever increasing issue which can be knowledge-based, and the innovative goal of a developing regional policy in Hungary.

In our policy paper we analysed the higher education institutions (Figure 1), business actors (Figure 2) and NGOs who deal with cybersecurity issues and checked their geographic concentration (Figure 3). We also took into consideration the region’s willingness and readiness to develop.

We found that there are more than 200 enterprises<sup>3</sup> dealing with cybersecurity-related topics, and 28 faculties<sup>4</sup> which have a potential educational portfolio. Their concentration was not as obvious as we expected. Although Budapest, as the capital city, has much potential in IT related and security fields, our aim is to use it as a basis of a growth policy.

In our chosen city, Veszprém, cybersecurity related university education has a basis which is important from a know-how and labour force point of view (for example Research and Development Centre for Cyber Defence, University of Pannonia). Dual training is strong at the university and it could also be expanded to include this field. Some related enterprises are already present and have been successful in the city (Secudit Ltd.), (Balabit).

Veszprém already has a good basis with university, business and local government cooperation. From an education and business cooperation point of view, the following points should be considered:

Many of the important educational factors are already present at the University of Pannonia. An important feature would be to form a deep relationship between academia and businesses in the cybersecurity field as well as successfully cooperating. To do so, an interdisciplinary university knowledge centre – in conjunction with the relevant existing research centres – could have a specialised unit in the IT and cybersecurity field and could maintain a connection to business. To go a step further from a formal education, a potential, connected educational centre, which could provide training and education to possible security operations centres, so do business in the whole region, should also be considered (in line with lifelong learning and special trainings). The knowledge provided both at the university and in the centre should be interdisciplinary and practical, adapted to rapidly changing business needs and state challenges.

Therefore, cooperation with businesses, in many ways, could be possible and is also required in this field, as the University of Pannonia has many good practices relating to it. For example, involvement in formal education, extending dual trainings and company-funded researches could be possible in a wide range in the cybersecurity area. Companies already have the possibility to invest in education. There might be an option in exchange for this – being able to use the given resource for their own purposes as well as organising their trainings at the university, as they would help with an up-to-date, precompetitive curriculum development.

---

3 IT security and cybersecurity related businesses in Hungary were analysed based on IBTN Conference and Expo anonymised participants' database 2014–2018.

4 We checked the list of the Hungarian Accreditation Committee, and we selected study courses that have been running for at least 3 years. The reason behind that is that study courses have to already have some effect in the labour market, and it was important too that it is still possible to be able to apply for them.

A technology transfer and innovation office at the University of Pannonia, helping with IPO constructions and sales, formulating and managing spin-off companies, providing a co-working office or incubator for student–teacher ideas and potential (start-up) companies are also a good option to consider.

Formalised R&D agreements are also possible between the two spheres: existing research groups already have industrial references with whom they have worked together (cf. Inzelt, 2004, 874.)

From a larger perspective, different research and development grants which the university or university–business cooperation can apply for could be of financial help.

The University of Pannonia has already had experience with successfully managing grants related to a certain field or to horizontal R&D improvement. For example, in 2019 the University won 400 000 000 Ft grant at the Thematic Excellence Programme at Industry and Digitalisation topic (“Ipar 4.0+: Fenntartható regionális iparfejlesztést megalapozó kutatások”).

From state related connections, adopting cybersecurity in the regional development plan and supporting the formation of this cluster could be important. Local government can step up – with the potential help of the National Cyber Coordinator – as a facilitator of this cooperation. It could also gain citizen engagement for the topic, by announcing “open university” and online courses (differing based on age: from kindergarten to retirement) for citizens, involving local civic organisations and NGOs. For the same reason, it is important to set up free wireless internet points in the city centre.

A facilitator role could also be created on a platform. A good example is Cluj-Napoca, often called the Silicon Valley of Transylvania, where these connections (university, business, and local government) are realised in a Governance Advisory Council. Therefore, we suggest a similar platform where these actors constantly exchange knowledge and advice and search for further opportunities. This body could also suggest further needs and options.

As an alternative, some other university cities might have been chosen (e.g. Szeged, Pécs, Győr), but our complex analysis has shown that Veszprém is the best choice, outside of the capital, for this. Budapest, the capital city, is already overcrowded and thus another city is a far better choice.

## **Stakeholder analysis**

---

At the state level, the National Cyber Coordinator has a role in facilitating all the relevant actors, communicating with companies in various sectors, experts, NGOs, and education institutions. In this case there could be a role for a National Research, Development and Innovation Office and a Ministry for Innovation and Technology.

At the local level, the local authority's aim is to reach its strategic goal and create better living standards and prosperity for the city and its region, and its goal is to do this through sustainable, knowledge-based, innovative sectors.

Business actors and educational institutions have a shared interest in having appropriate cooperation with the curriculum (business needs appear in education so that students have better prospects and therefore more students will apply to the given university), and also a shared interest in dual trainings and common R&D projects.

## **Consultations**

---

A recommended platform i.e. a local government advisory committee, such as the good practice from Cluj-Napoca, should be considered. In this platform, all relevant actors would have the possibility to state their exact needs, possibilities and visions relating to forming a cybersecurity hub in Veszprém. Consultation about how to form this platform could be with the National Cyber Coordinator.

## **Policy recommendation**

---

These include: linking existing actors, who deal with this topic and creating networks; extending existing good practices of business and university cooperation in the cybersecurity field; setting the different forms of cooperation options with the help of a Technology Transfer and Innovation Office; involvement in formal education, extending dual trainings and company-funded researches, company investment, common use of resources, business trainings organised at the university, and university curriculum development with the help of enterprises; providing IPO constructions and sales from university to business; formulating and managing spin-off companies; providing a co-working office or incubator (or developing the existing incubators), start-up funds; formalised R&D agreements and an Educational centre for possible security operations centres' training. There should also be a governance help advisory platform with all the relevant actors, to set out the possibilities and visions related to forming a cybersecurity hub in Veszprém.

## **Conclusion**

---

Industry 4.0, as a policy-driven discourse, changes our way of manufacturing in the future. Manufacture-based areas, such as Hungary, have to prepare for new challenges and possibilities. One of the issues we are facing relating to this new era is digitalisation, where cybersecurity is critical. Hungary is traditionally strong in IT related fields and its central and eastern European location can determine that it becomes a centre for the topic. In this policy recommendation we checked which re-

gion would be the best in the country to become an innovative cyber hub and which tools should be used to boost cooperation-based growth. We recommend institutionalising the potential networks and building an innovative cyber cluster (hub) involving businesses, universities, citizens and active state/local authority support.

## References

---

- Árkos, Iván (2018): Tudomány-és technikatörténet CD-ROM-on XXII. *Tudományos és Műszaki Tájékoztatás*, 52(3), 126–127.
- Bush, Vannevar (1945): *Science the Endless Frontier: A Report to the President*. United States Government Printing Office, Washington DC.
- Callon, M. (1994): Is science a public good? Fifth Mullin lecture. Virginia Politec Institute, 23 March 1993. *Science, Technology, & Human Values*, 19 (4), 395–424.
- Freeman, C. (1987): *Technology Policy and Economic Performance: Lessons from Japan*. Pinter, London.
- Carayannis, E. G., Barth T. D., Campbell, D. F. J. (2012): The Quintuple Helix innovation model: global warming as a challenge and driver for innovation. *Journal of Innovation and Entrepreneurship*, 1:2.
- Carayannis, E. G., Campbell, D. F. J. (2006): Mode 3: meaning and implications from a knowledge systems perspective. In: *Knowledge Creation, Diffusion, and Use in Innovation Networks and Knowledge Clusters*. Praeger, Westport, CN, pp. 1–25.
- Carayannis, E. G., Campbell, D. F. J. (2009): ‘Mode 3’ and ‘Quadruple Helix’: toward a 21<sup>st</sup> century fractal innovation ecosystem. *International Journal of Technology Management*, 46 (3), 201–234.
- Carayannis, E. G., Campbell, D. F. J. (2010): Triple Helix, Quadruple Helix and Quintuple Helix and how do knowledge, innovation, and environment relate to each other? *International Journal of Sustainable Development and World Ecology*, 1 (1), 41–69.
- Carayannis, E. G., Campbell, D. F. J. (2019): *Smart Quintuple Helix Innovation Systems*. Springer, Cham.
- Chesbrough, H. (2003): Open innovation: how companies actually do I? *Harvard Business Review*, 81 (7), 12–14.
- Cluj-Napoca: *Fostering Creativity & Innovation for a Smart City. The Development Strategy of Cluj-Napoca for 2014–2020*. Available: <http://clujbusiness.ro/market-overview/business-support/cluj-napoca-fostering-creativity-innovation-for-a-smart-city/> (last download: 2019.08.30.).

- Etzkowitz, Henry – Leydesdorff, Loet (2000): The dynamics of innovation from national systems and 'Mode 20 to a Triple Helix of university–industry–government relations. *Research Policy*, 29, 109–123.
- Etzkowitz, H., Leydesdorff, L. (1995): The Triple Helix University–Industry–Government Relations: a laboratory for knowledge based economic development. *EASST Rev.* 14, 14–19.
- Etzkowitz, Henry (2008) *The triple helix: university-industry-government innovation in action*. New York, Routledge. ISBN-13: 978-0415964517.
- Evans, Dave (2011): *The internet of things: How the next evolution of the internet is changing everything*. CISCO white paper, 1(2011), 1–11.
- Gibbons, M., Limoges, C., Nowotny, H., Schwartzman, S., Scott, P., Trow, M. (1994): *The new production of knowledge: the dynamics of science and research in contemporary societies*. Sage, London.
- Hathaway, Melissa. "Cyber readiness index 1.0." *Great Falls, VA: Hathaway Global Strategies LLC* (2013).
- International Telecommunications Union (ITU) (2008) *ITU-TX.1205: series X: data networks, open system communications and security: telecommunication security: overview of cybersecurity*.
- Invest in Veszprém*. Available: <http://investinveszprem.com/why> (last download: 2019.08.30.).
- Inzelt, Annamária (2014): Az egyetemek és a vállalkozások kapcsolata az átmenet idején. *Közgazdasági Szemle*, 51.9: 870–890.
- Klimburg, Alexander (Ed.) (2012): *National Cyber Security Framework Manual*. NATO CCD COE Publication, Tallinn.
- Kline, J. K., & Rosenberg, N. (1986): An Overview of Innovation in Landau, R. and Rosenburg, N. (eds) *The Positive Sum Strategy: Harnessing Technology for Economic Growth*. National Academy Press, Washington DC.
- Krasznay, Csaba, Török, Szilárd (2014): Hungary's Cyber Defence Readiness from the Perspective of International Recommendations. *Hadmérnök*, 9(1), 209–216.
- Krasznay, Csaba (2017): A kiberbiztonság stratégiai vetületeinek oktatási kérdései a közszolgálatban. *Nemzet és Biztonság*, 3(2017). 38–53.
- Leydesdorff, Loet (2012) The Triple Helix, Quadruple Helix,..., and an N-Tuple of Helices: Explanatory Models for Analyzing the Knowledge-Based Economy? *Journal of the Knowledge Economy*, 3:1. 25–35. <https://doi.org/10.1007/s13132-011-0049-4>

- Liu, C., Cai, Y. (2017): Triple Helix Model and Institutional Logics in Shenzhen Special Economic Zone. *Science and Public Policy*, 45(2), 221–231.
- Mazzucato, Mariana (2016): From market fixing to market-creating: a new framework for innovation policy. *Industry and Innovation*, 23:2. 140–156. DOI: 10.1080/13662716.2016.1146124 153.
- Munk, Sándor (2018): Kiberbiztonsági eseménykezelő szervezetek rendeltetése, feladatai. *Hadmérnök*, 13.2.
- Porter, Michael (2003): The economic performance of regions. *Regional studies*, 37:6–7. 545–546. DOI: 10.1080/0034340032000108688.
- Ramstad, Elise (2014): *A systemic framework for a broad-based innovation policy: The expanded triple helix as an innovation generating policy model*. Available: <http://uk.ukwon.eu/pdfs/Elise-v4.pdf> (last download: 30.09.2018).
- Reischauer, Georg (2018): Industry 4.0 as policy-driven discourse to institutionalize innovation systems in manufacturing. *Technological Forecasting and Social Change*, 132: 26–33.
- Rothwell, R. (1994.): Towards the fifth-generation innovation process. *International marketing review*, 11 (1), 7–31.
- Schienstock, Gerd – Hämäläinen, Timo (2001): *Transformation of the Finnish innovation system: A network approach*. Helsinki, Sitra. ISBN 951-563-388-5.
- Szkála, Károly, Munk, Sándor (2018): A kibertér fogalma, értelmezése és fejlődése. *Földrajzi Közlemények*, 142.4.
- Thames, Lane; Schaefer, Dirk (2017): Industry 4.0: an overview of key benefits, technologies, and challenges. In: *Cybersecurity for Industry 4.0*. Springer, Cham, 1–33.
- Villarreal, Oscar – Calvo, Nuria (2015): From the Triple Helix model to the Global Open Innovation model: A case study based on international cooperation for innovation in the Dominican Republic. *Journal of Engineering and Technology Management*, 35. 71–92.

## Regulations

- Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20<sup>th</sup> December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.
- Act L of 2013 on the Electronic Information Security of Central and Local Government Agencies.
- Government Decision No. 1035/2012 (II.21.) on Hungary’s National Security Strategy.

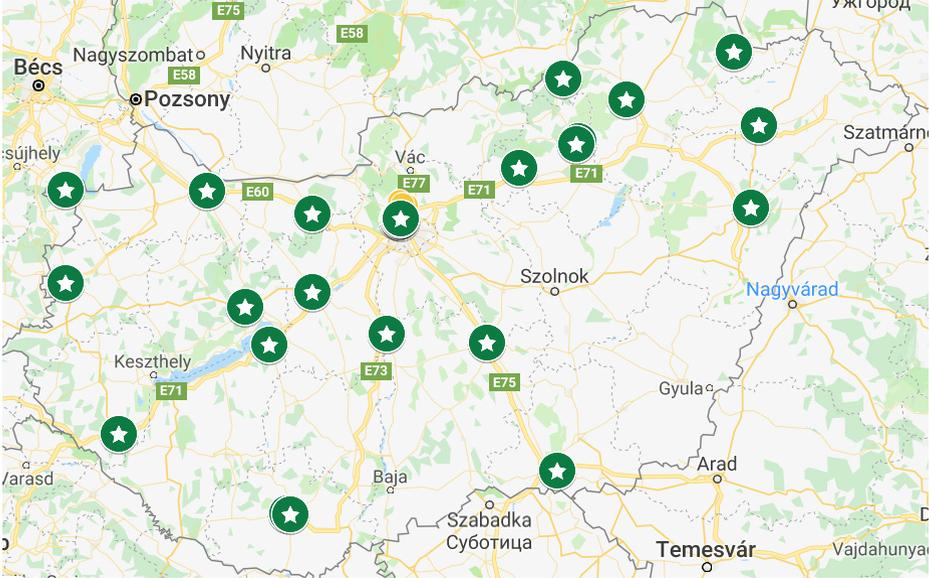
Government Decision No. 1139/2013 (21<sup>st</sup> March) on the National Cybersecurity Strategy of Hungary.

Government Decision No. 484/2013. (17<sup>th</sup> July) on the rules, tasks and powers of the National Cybersecurity Coordination Council and of the establishment, operation and competence of the Cybersecurity Forum and the Cybersecurity Sector Working Groups.

## Appendix

**Figure 1**

University faculties with IT – or cybersecurity related education, based on the university list of the Hungarian Accreditation Committee (selected study courses have been running for at least 3 years) (own edition)



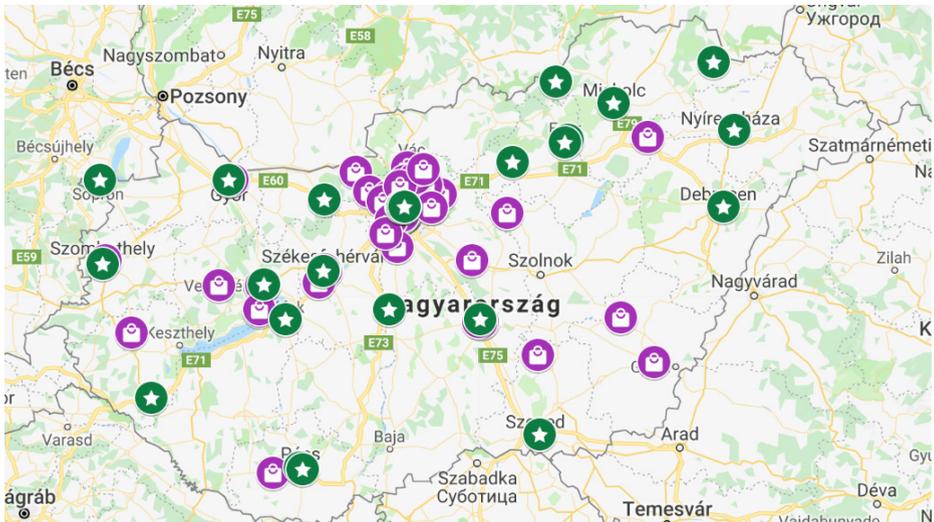
**Figure 2**

IT security and cybersecurity related businesses in Hungary based on IBTN Conference anonymised database 2014–2018 (own edition)

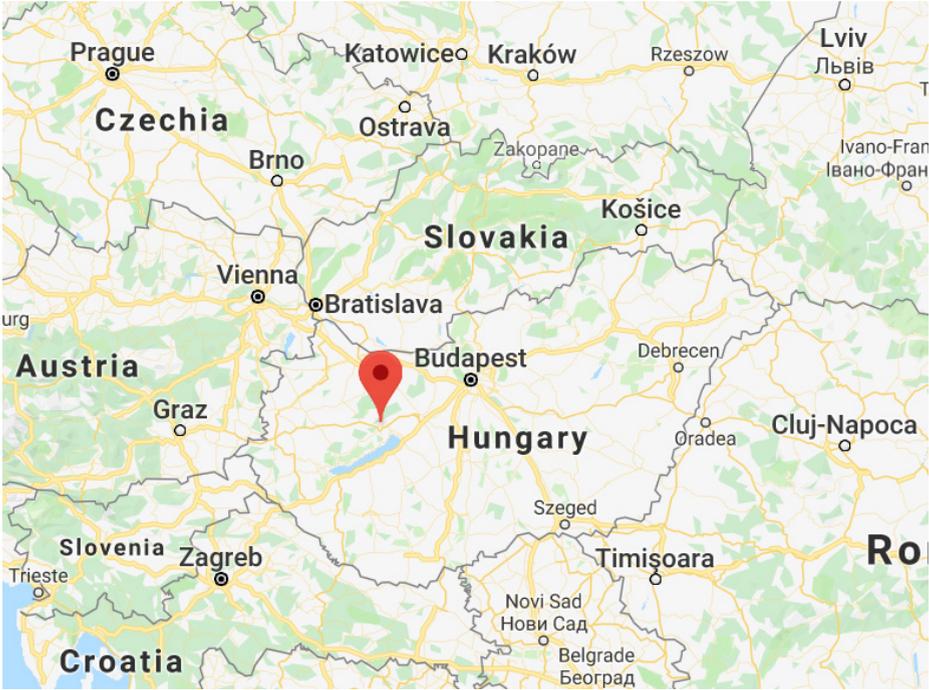


**Figure 3**

IT security and cybersecurity related businesses and higher educational institutions in Hungary based on database of Figure 1–2. (own edition)



**Figure 4**  
Location of Veszprém in a Central Eastern Europe perspective



# Towards More Evidence-Based Policy Making in Montenegro in the Context of the Advanced Stage of EU Accession Negotiations<sup>1</sup>

*Almedina Vukić<sup>2</sup>*

## Abstract

The main findings in this paper will be focused on the effects of the new system of policy planning and the current impact of the mentioned legal and methodological framework. The paper will verify whether or not the gradual steps that have been made until now have contributed to the changing environment in strategic planning in Montenegro. The subjects of the analysis were strategic documents already in force, as well as opinions of the Department for Government Strategies (DGS) on drafts and proposals of strategic documents and reports. The analysis implies that more emphasis should not only be placed on quality drafts of strategic documents and reports, but also that more should be done to improve the capacities of civil servants, raise awareness of high-level officials and put policy coordination issues high on the political agenda. The paper suggests that the Government of Montenegro, including line ministries and Secretariat-General (SGG), must focus on its resources and visibility in order to improve the quality of strategic documents, promote an evidence-based approach and build this “culture” within the public administration.

## Goal

The advanced stage of EU negotiations in Montenegro focused more on Public Administration Reform and part of it – policy planning and co-ordination – has

---

1 The author is a UNDP Local Consultant for Policy Coordination in the Department for Government Strategies, Secretariat-General of the Government of Montenegro engaged through a Norwegian funded and UNDP implemented project “Strengthening capacities for the acceleration of EU accession of Montenegro” and a PhD student at the Faculty of Political Science, University of Montenegro.

2 Department for Strategies of the Government, Secretariat-General of the Government, Podgorica, Montenegro.

become more important in recent years. This policy paper will discuss how the EU integration process affects the policy planning and strategic planning system and how the new legal and methodological framework helps us in moving towards comprehensive and efficient policies. The main goal is to identify how a more evidence-based approach can be developed in Montenegrin public administration in order to make better decisions when creating new public policies. Bearing in mind that Montenegro’s most important foreign policy strategic goal is accession to the European Union, but also given the 2025 perspective, it becomes more important to align national with EU policies that would help Montenegro’s development.

## **Audience**

---

The policy paper is mainly oriented towards the key stakeholders in this process – the Government of Montenegro and the line ministries. Both high level officials as well as civil servants are the target audience in this case, as the ones who are shaping and creating Montenegro’s public policies.

## **Policy Aim**

---

The aim of this policy paper is to understand how Montenegro performs in policy and strategic planning and what the gaps are in the process. It will also identify the role of the Secretariat-General of the Government (SGG) and its Department for Government Strategies (DGS) in the new strategic planning system. The key aim of this paper is to show if the first results of the ongoing implementation of the new legal and methodological framework in strategic planning in Montenegro are indicating improvement in public policy planning and what must be done further to improve it.

## **Background of the Issue**

---

Since the establishment of tighter cooperation with SIGMA, the principles of public administration<sup>3</sup> have become one of the crucial components of changes at the level of the overall political system, including, of course, strategic planning. Principles of public administration, which are relevant for the SGG mandate in policy development and co-ordination, are mostly focused on coherent policy planning, medium-term policy planning and regular monitoring of the government’s performance, which should enable public scrutiny and also support the government in achieving its objectives.<sup>4</sup> Our baseline for reviewing the situation

---

3 SIGMA, *The Principles of Public Administration*, 2017, link: <https://bit.ly/2lh181i>, pg. 6–7.

4 SIGMA, *Monitoring Report: The Principles of Public Administration, Montenegro*, November 2017, link: <https://bit.ly/2yWLHqK>, pg. 30–35.

in Montenegro are the notes given in the last SIGMA Monitoring Report for Montenegro (2017), and the two latest European Commission Progress Reports for Montenegro, for 2016<sup>5</sup> and 2018<sup>6</sup>.

All of the aforementioned reports state that key challenges in Montenegrin policy planning remain with ensuring the quality of policy proposals, which led to the limited quality of analysis supporting the proposals, inconsistent implementation of the procedures for evidence-based policy making and consultation, and no clear information on the costs of the implementation. In the end, the reports on the implementation are mainly output-oriented and do not provide information on the achievements at the outcome level. On the other hand, the reports are publicly available, as all material discussed at the Government sessions is published online. The 2018 EC Progress Report states that the quality of policy planning should be “substantially upgraded, by introducing a medium-term planning framework, including fiscal planning, and by ensuring the consistency and coordination of sector strategies.” (pg. 10)

The legal framework that would help to harmonise strategic planning and establish a hierarchy between strategic documents, that has long been the subject of reports<sup>7</sup> on Montenegro, is now in place with the adoption of the *Decree on procedure of drafting, alignment and monitoring implementation of strategic documents*<sup>8</sup> and the following *Methodology*, that entered into force in August 2018 and upon which the Montenegrin strategy planning system is grounded. The Decree introduces the key principles,<sup>9</sup> as a guiding mechanism for the creation of public policies, thoroughly described in the *Methodology*. An additional novelty introduced by the Decree is a sector-based approach<sup>10</sup> to the strategic planning of policies, with the intention to rationalise not only the number, but also the process of developing new strategic documents.

---

5 European Commission Montenegro 2016 Report, 9. 11. 2016 (link: <https://bit.ly/2tr6wXs>).

6 European Commission Montenegro 2018 Report, 17. 4. 2018 (link: <https://bit.ly/2qExlEK>).

7 European Commission Progress Reports and SIGMA Monitoring Reports, which are addressed in the paper.

8 The *Official Gazette of Montenegro*, number 54/2018 (available only in Montenegrin, link: <https://bit.ly/2Vtv1hd>).

9 Articles 5–12 of the Decree, pg. 15–16 of the *Methodology*.

10 The following seven sectors, within whose scope strategy documents are developed are determined: Democracy and Good Governance, Financial and Fiscal Policy, Transport, Energy and Information Infrastructure, Economic Development and Environment, Science, Education, Culture, Youth and Sport, Employment, Social Policy and Health and Foreign and Security Policy and Defence (article 13 of the Decree, pg. 18–19 of the *Methodology*).

## Policy Alternatives

**It would be significant for Montenegro to review the current legal framework and use the space for simplifying the regulations for strategic planning.** We have seen that focusing on annual planning and outputs, rather than outcomes, was leading towards a direction of a relatively loose and complex strategic planning system. The analysis of the DGS, conducted from May to July 2017 pointed to a total of 95 strategies, 20 programmes, 20 plans and 69 action plans<sup>11</sup>, but the precise number could not be given since the drafters did not clearly differentiate between these categories of strategic documents. The adoption and implementation of the *Decree* have made it easier to specify numbers, which gave us a new result – 102 strategies in April 2019. However, the Decree is narrow in scope and some issues related to strategic planning are defined in other legal acts.<sup>12</sup> Regional practice, at least in Croatia<sup>13</sup> and Serbia<sup>14</sup>, show that strategic planning is defined within a comprehensive law in which every overarching strategic document has a separate definition and is positioned as hierarchically higher than the sectoral strategic documents. With regard to the letter, it could be useful if this approach could be thoroughly analysed.

**Quality strategic documents can be prepared only if we have highly skilled civil servants and units for policy planning.** Apparently, strategic documents were prepared more as an answer to the opening or closing benchmarks for EI negotiation chapters, but usually with a lack of evidence and necessary data that would identify problems, their causes and effects and eventually lead to a solution that would improve the situation in a specific field. In the Montenegrin case, this problem is inter-related to the aforementioned number of civil servants working on policy development and analysis, which is still low. Actually, out of 17 ministries, only 4 have departments for strategic planning.<sup>15</sup> **In 2018, out of 34 members of the Network, 46,2% had experience in working on 1–5 strategic documents, 19,2% were working on 5–10 strategic documents, while only 7,7% of them were engaged with more than 10 strategic documents, but 26,9% had no experience at all.**<sup>16</sup> This result indicates that even the members of the Network, a forum of “strate-

11 Table 1, *Number of strategies in effect in Montenegrin strategic framework*, Appendix, pg.8 (source: DGS).

12 In 2018, 25 laws and legal acts in Montenegro contained definitions on strategic documents that are to be adopted in specific areas or sectors.

13 Law on the System of Strategic Planning and Development Management of the Republic of Croatia, Public newspaper, Official Gazette of the Republic of Croatia, number: 71-06-01/1-17-2, Zagreb, 11 December, 2017 (available in Croatian only, link: <https://bit.ly/2WTTWuN>)

14 Law on the Planning System of the Republic of Serbia, Official Gazette of the Republic of Serbia, number 20, 20 April 2018 (available in English, link: <https://bit.ly/2TYKJzD>)

15 Ministry of Defence, Ministry of Interior, Ministry of Public Administration, Ministry of Sustainable Development and Tourism.

16 Graph 1, *Experience of the members of the Network with strategic documents*, Appendix, pg. 8 (source: DGS, J. Bulatovic).

gic planners” of Montenegrin public administration is, for some of them, their first experience with any strategic planning. Therefore, more civil servants that deal with strategic documents should be trained, especially since the Training Programme for Civil Servants for Strategic Planning (onwards the Training Programme)<sup>17</sup> has already been established and is about to launch the second generation of participants in October, 2019.

**Continuous monitoring, reporting and evaluation of public policies can be established if strategic documents are “built” on a good foundation and with clearly defined indicators.** The results of the analysis conducted by the DGS<sup>18</sup> show that 53 % of draft strategic documents do not have outcome level indicators,<sup>19</sup> 47 % lack information regarding the process of monitoring, reporting and evaluation<sup>20</sup>, while 44 % of them do not define a financial estimate or sources of financing.<sup>21</sup> The practice of drafting strategic documents inconsistently leads to similar issues in reporting, which were part of other analysis.<sup>22</sup> The results have shown that previous to adopting the Decree, 60 % of the analysed reports did not give information on the outcomes or effects of the implementation of a strategic document.<sup>23</sup> This analysis also showed that only 4 reports contained quality recommendations for the next steps, mostly focused on financial issues. However, reporting on costs of the implementation was not present. The second analysis<sup>24</sup> showed that 75 % of the reports analysed contain recommendations in the final document that was adopted by the Government, after informal consultations with the DGS. Through the consultation process, DGS should promote this approach further.

17 The accreditation for the Programme of Professional Specialization of Civil Servants for Strategic Planning, developed in cooperation with international experts and the Human Resources Agency of Montenegro was approved by the National Education Council of Montenegro at its session of 7<sup>th</sup> March 2018. This Programme contains six modules that cover the whole policy planning cycle. As a result of the Programme, the groups of participants are preparing new strategic documents.

18 DGS analysed the opinions on drafts and proposals of new strategic documents and reports issued from September to the end of December 2018. These opinions check three key aspects: a) alignment with national strategic framework; b) alignment with the obligations stemming from EU integration and other international obligations; c) alignment with the Decree. Subject of the analysis were 59 opinions on drafts (32) and proposals (27) of strategic documents, including strategies, programmes and action plans.

19 Graph 2: *Outcome level indicators in draft strategic documents*, Appendix, pg. 9 (source: DGS, A. Vukic).

20 Graph 3: *Information on monitoring, reporting and evaluation in draft strategic documents*, Appendix, pg. 9 (source: DGS, A. Vukic).

21 Graph 4: *Information on financial estimate and sources of financing in draft strategic documents*, Appendix, pg. 9 (source: DGS, A. Vukic).

22 The first analysis of the reports was conducted on a sample of 20 reports adopted by the Government from January to July 2018, all of which were annual reports.

23 Graph 5: *Reporting on the outcomes (July, 2018)*, Appendix, pg. 9 (source: DGS, A. Vukic).

24 The second analysis was conducted for the 11 opinions issued on reports by the SGG, from September to the end of December 2018.

**The role of the SGG and Network members must be more visible and there must be clear political commitment to improve strategic planning at national level.** The results of questionnaire<sup>25</sup>, shared with members of the Network, showed that satisfaction with the role of SGG in promoting the significance of strategic planning was rated 4.7 out of 5. Concerning the ways that would help to bring closer the competences of the SGG in order to simplify the strategic planning process, the two preferred options are: a) sending quarterly notifications to the line ministries that have the obligation of drafting strategic documents, according to the Government Annual Working Plan and b) systematise and publish FAQ's. All of the respondents (100 %) consider their membership in the Network useful. They do, however, believe that they should receive more "visibility" within their line ministries and that the number of Network members should be increased (73 %).

## **Stakeholder Analysis**

---

Bearing in mind that the topic is system-related and that it touches on the strategic planning system as a whole, it is of the utmost importance to engage the Government (i.e. the President) and the Heads of all line ministries. It is also important to keep members of the Network, participants of the Programme, and also other civil servants, both interested and engaged in the process of enhancing the quality of strategic documents and our public policy. Academia and civil society organisations should be informed and included in constructive feedback, while citizens, even although with the least interest in the topic, should also be informed and included to make the process as transparent and consultative as possible. Eventually, this would lead to higher efficiency, not only of public policies, but public administration.<sup>26</sup>

## **Consultations**

---

**For this policy to be successful, continuous consultations with civil servants must be maintained, as well as occasional meetings with other relevant stakeholders.** Additionally, the Government, the line ministries and the interested public must be informed on the results of the process. In the future, high-level officials and decision makers should be included through meetings and periodic information on key developments, needs and recommendations on future perspectives that would lead to a more evidence-based approach in public policy planning.

---

25 22 out of 34 Network members responded to the questionnaire. The questionnaire was conducted by the Network secretary, Jovana Bulatović, Local Consultant for Monitoring and Evaluation in the DGS.

26 Table 2, *Stakeholder analysis* (A. Vukic), Appendix, pg. 8.

## **Policy Recommendation**

---

In order to improve the quality of our public policies and develop an evidence-based approach in Montenegrin public administration, the Government should prioritise the topic in the future. First of all, the number of analytical units within the line ministries must be increased from 4 (in 2019) to at least 8 in 2020. Taking into account that general parliamentary elections in Montenegro will take place in 2020, the new government should be thoroughly informed about the situation in the strategic planning framework and the key steps to be taken. This would also help in raising the visibility of the Network members, who could then work within the sphere of strategic planning, apply skills and knowledge gained through the Training Programme and contribute to creating quality public policies. It would also help in fostering an evidence-based approach through public administration. However, this could be done if more civil servants went through the Training Programme and became familiar with all the steps in creating better policies i.e. those that are result-oriented and evidence-based. For this to be achieved, both the Government, ministers, but mainly SGG and DGS should promote the idea – through consultations, meetings, and definitely through the media. For this, we propose launching small-scale campaigns before every new generation enrolls in the Programme and explain the benefits for civil servants.

## **Conclusion**

---

Additional effort must be put into building the evidence-based “culture” of policy planning, defining result-oriented priorities and goals and ensuring full costing of strategic documents, as well as reporting on the financial costs of their implementation. Challenges remain in all of the areas in which initial success was recorded. First of all, the visibility of the SGG, the Decree and Methodology have to be increased, as well as the visibility of the members of the first Network of Civil Servants for Strategic Planning, in order to raise policymakers’ awareness regarding the new legal and methodological framework in strategic planning. The Training Programme has produced its first generation of strategic planners, but its continuity must be obtained and the modalities for it must be examined. Both the Network and the Training Programme are not simply mechanisms for implementing the Decree; they are more a means for capacity building within the whole Montenegrin public administration. For this process to be successful, putting it in a high position in the political agenda needs to be the first step.

## References

---

- Decree on procedure of drafting, alignment and monitoring implementation of strategic documents. 2018. *Official Gazette of Montenegro*, number 54/2018. Podgorica (July, 31). Available online in Montenegrin: <https://bit.ly/2Vtv1hd>
- Durić, Dragan. 2014. Javne politike, javna uprava i razvoj. In *Javne politike*, 1<sup>st</sup> ed. Edited by Stevo Muk, Institut Alternativa. Also available online: <http://media.institut-alternativa.org/2015/03/javne-politike-2.pdf>
- European Commission. 2016. Montenegro 2016 Report, 9. 11. 2016. Available online: <https://bit.ly/2tr6wXs>
- European Commission. 2018. Montenegro 2018 Report, 17. 4. 2018, Available online: <https://bit.ly/2qExlEK>
- European Integration Office of Montenegro. 2019. Programme of Accession of Montenegro to the European Union 2019–2020. Available online: <https://bit.ly/2FTVrC>
- Grdešić, Ivan. 2006. *Osnove analize javnih politika*. Zagreb: Fakultet političkih znanosti (Biblioteka Politička misao. Hrvatska politologija).
- Hoppe, Robert, Colebatch, Hal. 2016. The Role of Theories in Policy Studies and Policy Work: Selective Affinities between Representation and Performance? *European Policy Analysis – Volume 2, Number 1 – Spring 2016*, <https://bit.ly/2I7YwCb>
- Kordic, Zorka, et. al. (Department for Coordination, Monitoring Harmonisation and Implementation of Strategies Establishing Public Policies, Secretariat-General of the Government of Montenegro). 2018. *Methodology for Policy Development, Drafting and Monitoring of Strategic Planning Documents*. Podgorica: Secretariat-General of the Government. Also available online: <https://bit.ly/2WWLiMj>
- Law on the Planning System of the Republic of Serbia. 2018. *Official Gazette of the Republic of Serbia*, number 20. Belgrade (April 20). Available online in English: <https://bit.ly/2TYKJzD>
- Law on the System of Strategic Planning and Development Management of the Republic of Croatia. 2017. *Public newspaper, Official Gazette of the Republic of Croatia*, number: 71-06-01/1-17-2. Zagreb (December 11). Available online in Croatian: <https://bit.ly/2WTTWuN>
- Ministry of Public Affairs of Montenegro. 2016. Public Administration Reform Strategy of Montenegro 2016–2020. Available online: <https://bit.ly/2G70HCX>
- Ministry of Finance of Montenegro. 2016. Public Finance Management Reform Programme in Montenegro 2016–2020. Available online: <https://bit.ly/2FYLjBB>

- Perko Šeparović, Inge, ed. 2006. *Priručnik za dobro upravljanje*. Hrvatski pravni centar. Also available online: <https://www.bib.irb.hr/271381>
- Pešić, Nataša. 2018. Policy planning more than a commitment of EU negotiations. *Eurokaz, Magazine for European Integration*, No. 3 (December 2018), <https://bit.ly/2UE2ecD>
- SIGMA. November 2017. Monitoring Report: The Principles of Public Administration, Montenegro. Available online: <https://bit.ly/2yWLHqK>
- SIGMA. 2017. The Principles of Public Administration. Available online: <https://bit.ly/2IhI81i>
- SIGMA. 2018. Executive Summary to Toolkit for the preparation, implementation, monitoring, reporting and evaluation of public administration reform and sector strategies, Guidance for SIGMA partners SIGMA paper No. 57. Available online: <https://bit.ly/2D2qbQV>
- Stipetić, Davor, trans. 2013. *Komparativna politika*. Zagreb: Političke analize, Fakultet političkih znanosti Sveučilišta u Zagrebu, Centar za cjeloživotno obrazovanje.
- The official website of the Secretariat-General of the Government: <http://www.gsv.gov.me/en/organisation>
- Veselý, Arnošt, Ochrana, František, Nekola, Martin. 2018. When Evidence is not Taken for Granted: The Use and Perception of “Evidence” in the Czech Republic Ministries. *The NISPAcee Journal of Public Administration and Policy*, Vol. XI, No. 2, Winter 2018/2019, <https://bit.ly/2WVn7hg>
- Wallace, Helen, Pollack, A. Mark, Young, R. Alasdair. 2010. An Overview. In *Policy-Making in the European Union*, 6<sup>th</sup> ed. Edited by Wallace, Helen, Pollack, A. Mark, Young, R. Alasdair. Oxford: Oxford University Press.

## Appendix

**Table 1**

Number of strategies in effect in the Montenegrin strategic framework

Period	July 2017	December 2017	October 2018	April 2019
<b>Number of strategies</b>	95	120	118	102

Source: DGS.

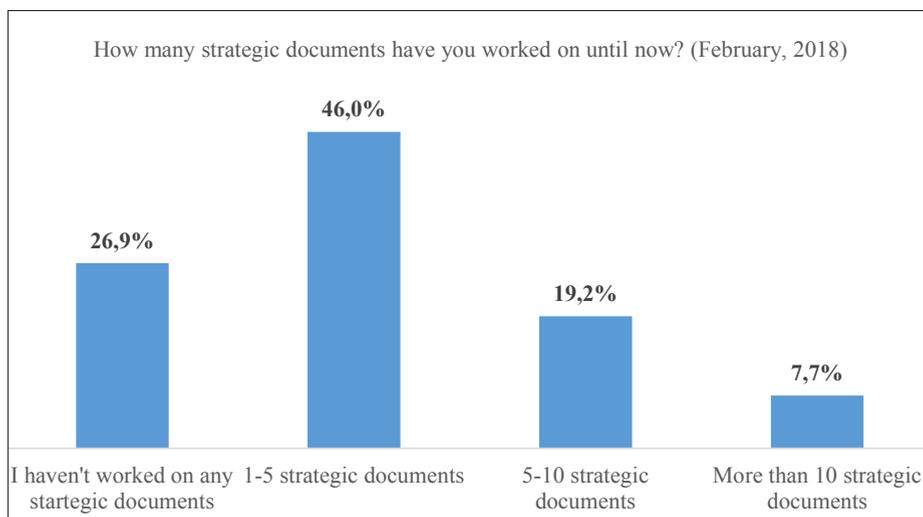
**Table 2**

Stakeholder analysis

<b>Interest</b>	<b>High</b>	Network of Civil Servants for Strategic Planning, participants of the Training Programme for Strategic Planning, civil servants in line ministries (especially dealing with strategic documents)	Government, ministers
	<b>Low</b>	Citizens	Academia, Civil society organisations (especially those focused on PAR, policy coordination and public policy planning)
		<b>Low</b>	<b>High</b>
<b>Power/influence/authority to make it happen</b>			

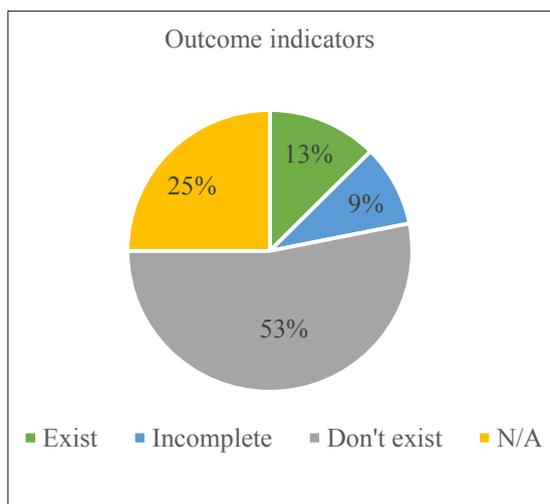
Source: A. Vukic.

**Graph 1**  
Experience of the members of the Network with strategic documents



Source: DGS, J. Bulatovic.

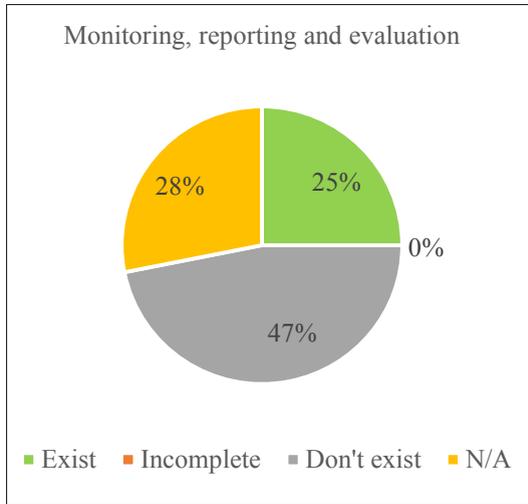
**Graph 2**  
Outcome level indicators in draft strategic documents



Source: DGS, A. Vukic.

**Graph 3**

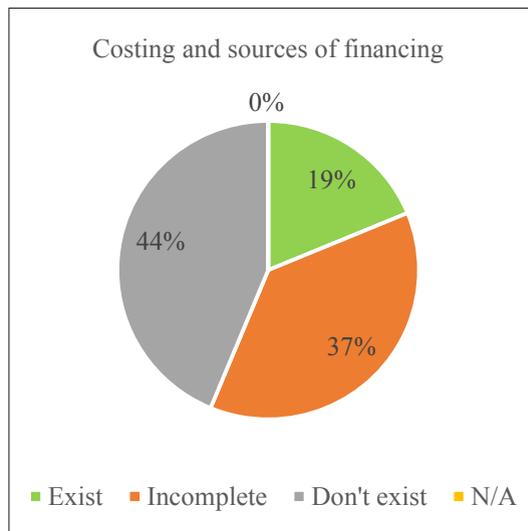
Information on monitoring, reporting and evaluation in draft strategic documents



Source: DGS, A. Vukic.

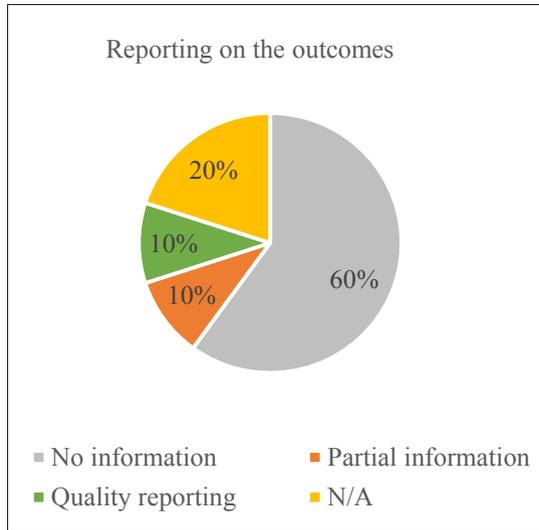
**Graph 4**

Information on financial estimate and sources of financing in draft strategic documents



Source: DGS, A. Vukic.

**Graph 5**  
Reporting on the outcomes (July, 2018)



Source: DGS, A. Vukic.



## 4.2. Citizens' Participation



# Civil Participation by Means of Participatory Budgeting: Checking of Possibilities for Decentralised Cooperation in Belarus

*Yuri Krivorotko<sup>1</sup>*

## Abstract

The process of civil participation and the participative approach used by them are the most challenging issues of the last few years in the post-soviet countries and in Belarus. Thanks to a participatory approach, the mutual cooperation between Civil Society and Local Governments has occurred and it is possible to develop projects and activities that support local democracy and economic and social development. They are also creating strong links between communities and citizens, creating dialogue and trust.

One of the civil participation forms is public participation in the local budget process where citizens and active groups of the population set up the local budget and include it in their projects. Thanks to participatory budgeting, citizens have the right to say how part of public resources should be spent. By doing so, they “embed their voice” in local government, ensuring the process of civic participation in public administration.

This paper pursues the following purposes: a) to show the importance of civil participation by means of participatory budgeting (PB) for attaining decentralised cooperation between a local authority and its citizens; b) to check the hypothesis that participatory budgeting is a form of citizen participation in local development in Belarus, and to show key success factors of PB. The scope of policy issues discussed is extremely broad and covers not only civic participation, in the form of its public budgeting, but also decentralised cooperation development between the authorities and citizens, fiscal decentralisation development, and the integration of participatory budgeting into the local budget process. The

---

<sup>1</sup> Economics and Accounting Department, Belarusian Institute of Jurisprudence and NGO “Lev Sapieha Foundation”, Minsk, Belarus.

paper covers targeted groups who are citizen of localities, local authority offices, local associations, and NGO's.

The research methodology is based on approaches made by Manor, Nemeč, Selee, Tulchin, Souza, Sedmíhradská, Raulda, Rodgers, Wampler, Wilmore and other researches. Empirical studies will be linked with participatory budgeting pilot projects in Slovakia, Poland, and Ukraine where they were developed. Statistical data from official sources, such as the Ministry of Finance, regional financial departments, NGOs and databases in this area, etc. will also be used.

**Keywords:**

civil participation, decentralised cooperation; fiscal decentralisation, participatory budgeting; local budget; local democracy; public finance

## **Introduction**

---

Civil participation and the participative approach used by them are the most challenging issues of the last few years in post-soviet countries and in Belarus. Thanks to a participatory approach, the mutual cooperation between Civil Society and Local Governments occurs and it is possible to develop projects and activities that support local democracy and economic and social development. They are also creating strong links between communities and citizens, creating dialogue and trust.

Why is civil participation important? The Belarusian official authority began to realise that the country could not develop on the basis of rigid, centralised, and vertical and badly needed approaches from the “bottom” through civil society corrections. On the other hand, citizens very often wonder why they pay taxes but their voice is not heard in the public administration process. Therefore, citizens wish to participate in several forms of public administration.

One of the civil participation forms is public participation in the local budget process where citizens and active population groups set up the local budget and include in it their projects. This is participatory budgeting. Thanks to participatory budgeting, citizens have the right to say how part of public resources should be spent. By doing so, they “embed their voice” in local government, ensuring the process of civic participation in public administration. Participatory budgeting is a tool for further civic education which leads to a higher awareness of public issues and related policymaking.

Participatory budgeting is both the form of citizen participation at the local level and an instrument of fiscal decentralisation. The benefits from participatory budgeting are in “pushing” the development of fiscal decentralisation in Belarus through the expansion of local democracy tools, one of which is “participatory budgeting”. This enhances openness, transparency, and accountability in the local budgetary process.

Participatory budgeting acts as a form of citizen participation at the local level and simultaneously as an instrument of fiscal decentralisation. Here, participatory budgeting acts as one of the innovations in local financial management in central and eastern European countries today. This innovation did not evade Belarus, which in the simplest forms began to carry out participatory budgeting and delegate it to more difficult models in the local budget process. The initiative of such an advance belongs, first of all, to public organisations in Belarus, including the NGO “Lev Sapieha foundation” which attempted to create an “embryo” of decentralised cooperation between citizens’ initiative groups and local authorities in budgeting and financing projects which were traditionally performed by local authorities.

For many years, scientists and experts from Belarus had attempted to introduce fiscal decentralisation in local financial management from the “top”, through the various approaches and tools for the official government such as tax power expansion for local government, transfer of more revenues and responsibilities to the localities etc. However, it did not bring about the desired results because each of the initiatives and proposals came up against the existing rigid centralised vertical system, penetrating from top to bottom all levels of power. Nevertheless, in recent years it has succeeded in creating a starting point for fiscal decentralisation. This is in the mutual interest and interaction of local groups of citizens representing civil society and local authorities. Through this alliance, the funding of the project performed by many citizens’ initiatives, by means of allocated grants from the EU, means that direct budgeting by citizens has succeeded.

Thus, these projects were a prototype for the future participatory budgeting model, the details of which for drawing up a local budget with citizens’ participation can be used.

## **Background of the Problem**

The background of the problem based on a study of both civil participation instruments and the conception of fiscal decentralisation, which create a ground for participatory budgeting include: Ch. Tiebout (1956); Bahl, R., and J. Martinez-Vazquez, (2006); Bahl, Roy. W. (1999); Bird, Richard, Robert D. Ebel, and Christine I. Wallich, (1995). Ebel, R. D. (1999); Ebel, Robert D. and Serdar. Yilmaz, (2003); Gabor, Peteri (ed.), 2002, Kenneth Davey, (ed.), 2002; Oates, Wallace E. (1972), (1985), (2003); Sevic, Z (ed.). (2008) and others.

Contributions to background are also introduced through concrete studies devoted to participatory budgeting. They are: Crook, R. - Manor, J. (2000); Davey, K. (2012); Elsenhans, H. - Kulke, R. - Roschmann, C. (2005); Krenjova, J. - Raudla, R. (2013); Manor, J. (1999); Rodgers, D. (2010); Sedmihradaska, L (2011); Selee, A. D. - Tulchin, J. S. (2004); Sevic, Z. (2006); Wollmann, H. (1980); Walzer, (1991); Wampler, B. (2007); Willmore, L. (2005); The significant practical contribution to

the research background was introduced through study projects of public budgeting in the countries of Central and Eastern Europe: “Capacity Building of NAPA for Open Local Governance” (2017), supported by the Programme SlovakAid, Slovak Ministry of Foreign Affairs and also the experience of the Visegrad countries in the engagement of citizens in the processes of budgeting and examples of using forms of participatory budgeting in Poland, Hungary, Slovakia and the Czech Republic. They are helping to compare the efficiency and a legal framework of public budgeting, promote the development of proposals on the simplification of budgeting procedures, and inspire us to think about the successful prospects of introducing a participatory budget in Belarus. Showing what tools and practices are effectively used in neighbouring countries supports the introduction of the corresponding changes in the Belarusian legislation and their subsequent practical application.

Finally, the background research is based on project analyses funded by the EU for the support of citizens’ initiatives in the development of local tasks in Belarus. The sectors of welfare, social infrastructure improvement, green projects, and fitness facilities are included. At the same time, these spheres were projected and budgeted by initiative groups on the basis of competitions by means of selected projects. All projects were carried out with the collaboration of the NGO “Lev Sapieha Foundation” and the European Association of Local Democracy – ALDA.

## **Alternative Types of Participatory Budgeting in Visegrad Countries**

---

Participatory budgeting is a democratic process which presents opportunities to each citizen to participate in the distribution of local funds or part of the local budget. This form of citizens’ participation has not been introduced into Belarus legislation, but other countries’ experience can be borrowed to begin interaction and dialogue between local authorities and citizens. Participatory budgeting allows residents of cities and villages to decide how to use local funds and part of the local budget for local development purposes. Visegrad group countries’ experience in engaging citizens in the budgeting process shows that participatory budgeting permits the harmonisation of relations between citizens and authorities in many aspects. Therefore, the introduction of participatory budgeting in Belarus may be considered as a possible instrument of citizen participation and method of direct local democracy.

Positive examples of participatory budgeting in Poland, Hungary, Slovakia, and the Czech Republic help to compare the efficiency and a legal framework for consulting citizens and inspiring them to reflect upon the successful prospects of participatory budgeting’s implementation in Belarus.

Showing how such instruments and practices are effectively used in Poland, Slovakia, Czech Republic, and other Visegrad countries, we strongly support proposals for changes in the Belarusian legislation for their subsequent practical application.

It is known that participatory budgeting began to be applied in 1989 in Brazil in the city of Porto Alegre and then became widespread across the American continent, especially in the USA (*Empowerment Case Studies, 2015*). For the last 15 years, it has taken root in Europe (Lisbon, Berlin, Leipzig, Hamburg, Bonn, Seville, Cordoba, Rome, a number of cities in England, France, and the Scandinavian countries). At present, participatory budgeting is being used in 1,500 cities around the world. There are also approximately 100 cities in Poland (Warsaw, Lodz, the city of Dabrowa Gornicza, etc.) where it is used. In the Visegrad group of countries, with the exception of Prague and Warsaw, participatory budgeting is also applied in Bratislava, Ružomberok, Banská Bystrica and many other cities (*Adam Jareš, Aneta Jarešová, 2018*).

It is evident that the approach to enhance civil participation in local development through participatory budgeting should begin in Belarus and it should be given ample scope for various forms of public budgeting to be introduced.

## **Poland Experience**

---

### **Soletsky fund**

The Soletsky Fund is a tool which allows the gmina's local council to allocate money from the gmina budget to projects offered by locals. Thus, the Soletsky fund is a form of participatory budgeting. However, the important difference is that it consists of a legal basis, and it is difficult for officials to change decisions made by inhabitants. In other words, the rules of the Soletsky fund were established by national law and give major power to the people (*Dz. U. 2014 pos. 301*).

The right to submit applications for financing from the Soletsky fund extends to the inhabitants of the local council and the decision to create a Soletsky fund is taken by local council members. However, to encourage local officials to carry out such a form of citizens' engagement, part of the money placed in the Soletsky fund is taken from the public budget. The Soletsky fund gives village residents the chance ((a soletstvo ("solectwo") – the name of an auxiliary unit of a gmina)) – via a meeting of the villagers to make decisions about the use of the fund without the participation of gmina politicians (gmina's local deputies). Thanks to this they can solve local problems and take responsibility for the local community (*Adam Jareš, Aneta Jarešová, 2018*)

## **Budgeting on the basis of the participation principle in several Polish cities and towns**

### *Advantages*

One of the most important advantages is simplicity. The submission of projects is simplified. A simple application questionnaire is developed and people are informed that to be initially approved a project had to be signed by 15 supporters. In addition, as opposed to classic elections, the right to vote is given to those who declare living in a particular location. It increases participation in the participatory budgeting, based on local legislation. For example, in Polish cities and towns, participatory budgeting is adopted by City council resolution and there is no need to adopt any Laws at Central government level. Projects are selected in a residents' direct vote, with no intermediary organisations which would vote on their behalf. The participatory budgeting procedure includes mainly three stages: submitting projects; verifying projects and selecting projects. In some cases there may be a fourth stage which includes discussions of projects prior to residents voting (*Markovska – Bzducha Ewa, 2013*).

### *Shortcomings*

Participatory budgeting is not an easy tool to use. One necessity is to ensure the widespread participation of the local community so that no social group is excluded and public debate is not dominated by one or several such groups. Therefore, no one group, especially the poorest groups of citizens, should be excluded from voting and public debate. Participatory budgeting requires the involvement of local politicians, local government officials, and the local community. Different perspectives of judgment and different levels of knowledge about the financial capacity of local government units require negotiation skills as well as the goodwill of each of the parties involved. Another challenge is the politicians' fear of losing their influence on forming the budget, a fear stemming from their belief that they are thus losing their monopoly on budgetary decision-making. A difficult problem is civil budget drafting. The civil budget must begin many months before the traditional budgeting procedure to make sure there is time to prepare information for citizens, carry out public consultations, and then select projects that will be included in the local government budget (*Markovska – Bzducha Ewa, 2013*).

### *Financing*

The size of the participatory budgeting is defined by the city government. Usually, it is a percentage of local budget expenditures. The biggest allocations in the participatory budget have been in Lodz city. A participatory budgeting feature is the possibility of its replenishment by local residents (the case of Lodz city). In 2013, for the requirements of participatory budgeting, 20 mln. zloty (PLN) were allocated. In 2014, this figure increased to 40 million zloty (PLN), and in 2018 the city govern-

ment promised to increase the relevant allocations of the city budget to 100 mln. zloty (PLN) (*Daniel Klimovsky, eds, 2017*).

## **Slovakia – Participatory Budgeting in Municipalities**

---

### *Advantages*

Budgeting on the basis of the participation principle has several advantages, which can be favourable to municipalities in Slovakia. First of all, it allows citizens to solve important municipal problems directly during the four-year period between local authority elections. The essence of the process also helps create closer relations between politicians and the local community. It is very important for politicians to accept the decisions made by the local community, and for inhabitants to accept reasonable solutions (for example for whom to vote in the next elections).

### *Shortcomings*

However, the high-quality process of budgeting on the basis of the principle of participation is expensive. The process demands much time and effort on the part of the administration as regular meetings with the local community are necessary to arrive at a consensus. It can lead to inhabitants being disappointed, especially in the case of the small amount of resources distributed within the budget on the basis of the participation principle. Budgeting on the basis of this principle also demands the presence of a qualified moderator, capable of carrying out discussions with the locals with impartiality.

### *Financing*

Experiments with budgeting on the basis of the participation principle in the Slovak municipalities began in 2011 in the city of Banska Bystrica. One of the main problems of participatory budgeting in the Slovak municipalities is the percentage of allocated resources for participatory budgeting. Whilst the common practice in other countries is an allocation of 1–10 % of the municipal budget for participatory budgeting, only in Slovakia – the district of Nova Mesto in the city of Bratislava – managed to approach close to 1 % in 2017 (only 40,000 Euros in 2016 were allocated). The Bratislava capital allocates very few funds for participatory budgeting (*Adam Jareš, 2018*). However, the small amount of the assigned sums is not the only shortcoming of public budgeting in Slovak municipalities. The other essential principles of public budgeting are also often broken and this can be linked to public discussion, promotion of projects, and periodic repetition of the reception of competitive projects from citizens.

### *Procedure example*

The procedure looks as follows:

- At first, the municipality collects the project offers through “the Market of Ideas” (“Idea Market”).
- After that the projects are estimated by experts and publicly discussed by the Local Council for participatory budgeting (generally consisting of NGO representatives).
- Then selected projects go through by electronic vote.

### *Shortcomings*

The vote does not work properly as any person can vote, including inhabitants of other municipalities, and it is possible to vote several times because the votes are not connected to a certain address or an IP address. In addition to these problematic aspects, since 2016, several winning projects have not yet been carried out.

## **Participatory Budgeting in the Czech Republic**

---

Budgeting on the basis of the participation principle is often applied at various political levels (urban area, municipality, local government unit, the state, etc.), and not only in public management. For example, it can also be used in schools (in the centre of Brno), and in various public institutions and organisations which have their own budgets. Therefore there is no universal model of participatory budgeting which can be used everywhere.

### *Legislative base*

Budgeting on the basis of the citizens’ participation principle is supported by the local laws of government. In the Constitution of the Czech Republic in 1993, the local government was mentioned, but local government laws were adopted in a package of laws in 2000: Law No. 128/2000 “About Municipalities” in the new edition, Law No. 129/2000 “About Regions” in the new edition, Law No. 131/2000 “About the capital city of Prague” in the new edition and Law 250/2000 of July 7, 2000 “About the Budgetary Rules of Territorial Budgets”.

The participatory budgeting features in the Czech Republic are that the public participation budget does not work via the principles of a re-granting system or grant redistribution. The main goal is that citizens should participate in discussions about the locality’s development in which they live, and the municipality demonstrates the available opportunities for fund allocation. In this case the Mayor’s office trains citizens to communicate with local authorities effectively and structurally.

The process forms and the size of the allocated funds for public budgeting differ from city to the city in Slovakia. Frequently it concerns civil projects connected

to the improvement of public places and gardens but also charitable projects, such as education, holiday events or a neighbouring meeting (*Adam Jareš, Aneta Jarešova, 2018*).

## **Stakeholder analysis**

---

Participatory budgeting in Belarus has been carried out since September, 2006 with the cooperation of the NGO “Lev Sapieha foundation” and the European Association of Local Democracy – ALDA. In the last decade, experience of participatory budgeting was obtained through projects which were successfully implemented through: ACSOBE, REACT, TANDEM I, TANDEM II, TANDEM III, TANDEM IV with the support of the EU and other European institutions and funds (*Organizatsia sotrudnichestva, 2018*).

Within each project, complex actions were taken for the solution of local government problems through the broad participation of citizens, through the creation of regional civic centres, informational, educational and volunteer activity and also through the support of 10–15 citizens’ initiatives for mini local development projects’ implementation.

All projects which are performed in collaboration with the NGO “Lev Sapieha foundation” and the European Association of Local Democracy (ALDA) attracted keen interest, not only from organisations’ and civil society initiatives but also from local authorities. This could be seen by the active participation of public associations, citizens’ initiatives, and local authorities in all the competitions held for mini-projects.

In the contest of competitive commissions for winner definition from amongst the submitted design applications, the experts – representatives of ALDA and NGO “Lev Sapieha foundation” and a number of Belarusian and foreign partner organisations also entered. After careful study of the applications received, the competitive commissions selected the winners via several steps. The selection took place in each case on an impartial and competitive basis. At the same time, the competitive commission was guided by the published requirements of the competition conditions and the criteria system, which were both stipulated in advance.

After the completion of the mini-grants competitions and the winners being announced, the work was successfully and effectively implemented according to the provided terms and requirements of national and international character.

It consisted of specialists of the NGO “Lev Sapieha foundation” and the ALDA group providing consulting assistance and organisational support by drawing up contracts between each recipient organisation of grantees and sponsors and also preparing target distribution plans of foreign free aid and other documents for obligatory registration of a grant by the Department on Humanitarian Activity of

the Presidential Administration of the Republic of Belarus (*Organizatsia sotrud-nichestva, 2018*).

Stakeholder analysis has shown the true potential of participatory budgeting by civic participation and public initiatives in the Belarusian civil society. The experience of the NGO "Lev Sapieha Foundation" by means of support for the design activity of public associations and initiatives of groups on citizens' participation in decision-making at the local level demonstrates that this sphere needs support. Analysis has also shown mutual interests for both citizens and local authorities in continuing the participatory budgeting process. On the one hand, citizens have an opportunity to improve the quality of their lives through their ability to implement their own projects and carry out their financial administration. On the other hand, local authority motivation is to receive the additional possibility for local development financing and the ability to better complement the needs of the local population for public services. All together it creates a mechanism of decentralised cooperation and enhances civil participation in local development.

## **Assessment of the Possibility of Participatory Budgeting in the Future**

---

The developed ability of participatory budgeting within the re-granting projects in Belarus is testimony to the opportunities for the transfer of experience in the local budget process by citizens on the basis of the participation principle. The key success factors in the implementation of participatory budgeting in setting up local budgets should be noted.

1. The presence of active citizen groups who will be capable of taking the lead in project implementation to be included in the local budget. The importance of this factor is that without it, it is impossible to announce participatory budgeting implementation in local budgets and furthermore to take responsibility for drawing up the budget control and monitoring of budget spending. Increasing initiative groups and active citizens can promote an increase in that share of the budget which is allocated for participatory budgeting by citizens. Experience in participatory budgeting in other countries shows, even if a small initial sum of participatory budgeting exists, initiators of this measure can attract interest from both citizens and business (*Daniel Klimovsky, eds. 2017*). However, it is also necessary to mention certain obstacles in the development of civil activity in budgeting. First of all, there is a civil society weakness and unwillingness to participate in public affairs. The experience of the central and eastern European countries demonstrates that this model requires high political activity by the population and politicians who are ready to concede considerable powers in the adoption of public decisions. However, even with the weakness of civil society, the involvement of citizens in consultations in public and local finances and

implementation of pilot participatory projects on drawing up the local budget would be the more realistic model (*Daniel Klimovsky, eds. 2017*). It is also necessary to bear in mind that citizens' participation in drawing up the local budget can be substituted by the quasi forms of participatory budgeting. For example, citizens' autonomy in drawing up the local budget can be substituted by special public platforms created by the official authorities for collecting applications and requests from citizens, who will promise to include them in the expenditure assignments of the local budget. In this case, the independent principle of citizens in public budgeting is lost.

2. Capacities of local budgets to execute a participatory budgeting mission.

This factor may be regarded, to a great extent, as being in the competence of the Ministry of Finance, which acts as the regulator and observer of local budgets because today conditions are such that local budgeting using the participation principle, are not yet included in the Budgetary Code of the Republic of Belarus. Therefore to consider recommendations about the size and shares of the budget of participation in the general local budget this is referred to the regulator.

In their approach regarding the choice of local budgets for participatory budgeting projects, the main recommendations from the Ministry of Finance come down to the involvement in pilot drafts of those local budgets which have the maximum self-reliance of own revenues. In other words, these are local budgets with a maximum share of own revenues in the total local budget revenues and the minimum share of central government transfers allocated from the central budget. This is explained by the fact that an increase in the share of transfers from the central budget potentially decreases the possibilities to implement the projects chosen by citizens and initiative groups for financing. It must be borne in mind that the allocation of transfers for equalisation of fiscal capacity has a strictly special-purpose character and cannot decrease because of the increasing initiatives of citizens. Thus, with the increasing dependence on central budget transfers, the effect from participatory budgeting will be decreased. The possibilities of local budgeting using the participatory budgeting principle are estimated by means of the analysis carried out on the degree of regional self-sufficiency by the NGO "Lev Sapiieha Foundation" experts. Informal consultations with the Ministry of Finance were held where their experts recommended that for the pilot project selection, local budgets of cities with high self-sufficiency and low transfers from the Central budget should be selected.

3. Political will of the central power and the desire of local authorities to introduce participatory budgeting in practice.

The political will, courage, absolute understanding of the need for innovation and a belief in its success are necessary for the implementation of participatory budgeting. The examples of many countries of Central and Eastern Europe show how a lack of political will, accompanied by the general interest of citizens, led

to disappointment and an early end to participatory budgeting projects. Other completely different examples showed how the existence of political will, even the small initial budget sum for participatory budgeting, could attract interest from citizens, business and authority. It could convince local authorities to deal more seriously with this problem and to increase a share of participatory budgeting funding in the local budget process.

It is also necessary to obtain political support of this innovation from the central and local authorities of the country, and beyond its borders: EU Commission, Council of Europe, international organisations and funds, and neighbouring countries, etc. If the process of participatory budgeting is to be advanced it also means activity directed to the professional development of active citizens' groups in the sphere of the public and local financial management.

With the implementation of participatory budgeting in Belarus, the threats could be the following:

- resistance of officials (“incompleteness” of the measures put in Laws, Decrees of the President, Resolutions of Council of Ministers, bureaucratic procedures;
- discrediting of the participatory budgeting idea among citizens through the distortion of its purposes and tasks;
- mistakes and miscalculations made at the adoption stage of participatory budgeting projects;
- conflicts of interest both across (between public bodies), and down (between public administration and local governments) in the decentralised cooperation course and financing of participatory budgeting;
- fear of change and, as a result, a lack of support for participatory budgeting in civil society;
- staff deficiency for innovations of participatory budgeting.

Therefore, participatory budgeting's initiators undertake a huge political responsibility for its successful performance because discrediting the decentralisation idea cannot be admitted in the fiscal and budgetary sphere. At a certain stage, it can lead to a complete refusal of innovations in local financial management.

## **Policy Recommendation**

---

Participatory budgeting is a good tool for Civil Society development and direct local democracy in Belarus. It was confirmed by the continued interest of both citizens and local authorities. In this sense, it is worth continuing this movement in the form of new pilot projects and experiments to develop participatory budgeting. The motivation of citizens in participatory budgeting manifests itself in opportunities

to improve the quality of their lives through the ability to implement their projects and carry out their financial administration. The interests of local authorities are the additional possibilities of financing local development and the ability to better complement the needs of the local population for public services. For those reasons, citizens and local authorities, aware of public budgeting experience in municipalities, insist on its permanent implementation.

However, the further development of participatory budgeting requires a shift to more complex forms of public budgeting, based on the participating approach of active groups of citizens in the development of the local budget and allocation of a certain share of expenditures in the local budget for the budgeting of their projects. This form of public budgeting will further strengthen decentralised cooperation between citizens and local authorities, civil participation in public administration and local democracy. However, it will require the political will and consent of the Central government.

At the same time, Central government's behaviour regarding the introduction of participatory budgeting may be obstructive and conservative. However, in future, civil society and local authorities in Belarus should initiate and promote both existing and new forms and methods of participatory budgeting. It is necessary to introduce participatory budgeting into the "institutional shell", to create a legislative framework for it, to put it into the Budget code. The EU, international financial organisations, and international reputable NGO's should provide full technical assistance and support to this process for municipalities, the Ministry of Finance, Associations of Local Authorities, NGO's and active citizen groups.

## References

---

- Adam Jareš, Aneta Jarešová, Artur Yudzitski, Uladzimir Kavalkin, etc. 2018. Handbook on Civil Participation in Public Affairs for Belarus. Transparency International Česká republika o.p.s.
- Crook, R. - Manor, J., 2000. Democratic Decentralization. Operations Evaluation Department Working Paper. Washington: World Bank.
- Daniel Klimovsky, eds. 2017. Participatory budgeting. Project: Capacity Building of NAPA for Open Local Governance. NISPAcee.
- Empowerment Case Studies: Participatory Budgeting in Brazil. 2015. [www.siteresources.worldbank.org/intempowerment/Resources/14657\\_Particip-Budg-Brazil-web.pdf](http://www.siteresources.worldbank.org/intempowerment/Resources/14657_Particip-Budg-Brazil-web.pdf) (retrieved April 3, 2019).
- Ganuza, E., Frances, F. 2011. The Deliberative Turn in Participation: The Problem of Inclusion and Deliberative Opportunities in Participatory Budgeting. *European Political Science Review*, 4(2): 283–302.

- Jacobi, Pedro. 1999. "Challenging Traditional Participation in Brazil: The Goals of Participatory Budgeting." Woodrow Wilson International Center for Scholars, Washington, D.C. URL: <http://www.orl.arch.ethz.ch/disp/displus/147/pdf/jacobi.pdf> (retrieved April 4, 2019).
- Krenjova, J. - Raudla, R. 2013. "Participatory Budgeting at the Local Level: Challenges and Opportunities for New Democracies." *Halduskultuur – Administrative Culture* 14(1), 18–46.
- Manor, J. 1999. *The Political Economy of Democratic Decentralization*. Washington: World Bank.
- Markowska-Bzducha Ewa. 2013. Participatory budgeting as a stimulant for the development of civil society – [http://www.ef.umb.sk/dsr\\_2013/pdf/Markowska-Bzducha.pdf](http://www.ef.umb.sk/dsr_2013/pdf/Markowska-Bzducha.pdf) (retrieved April 3, 2019).
- Organizatsia sotrudnichestva i proektnoi deyatelnosti POO "Fond ime ni Lva Sapiihi" i ALDA. [Organization of collaboration and project activity of NGO "Lev Sapiiha Foundation" and ALDA]. 2018. *Vestnik Samoupravleniya, Informatsionny bulletin No 1 (28).*, 2–9. <http://sapiiha.org/wp-content/uploads/2018/10/%D0%91%D1%8E%D0%B%D0%BB%D0%B5%D1%82%D0%B5%D0%BD%D1%8C-%E2%84%9628%D0%B0%D0%BF%D1%80%D0%B5%D0%B%D1%8C-2018.pdf> (retrieved April 4, 2019).
- Participatory Budgeting in the UK. 2010. A toolkit, Second Edition, January 2010. <http://www.participatorybudgeting.org.uk/documents/Participatory%20Budgeting%20Toolkit.pdf> (retrieved April 4, 2019).
- Rodgers, D. 2010. "Contingent Democratisation? The Rise and Fall of Participatory Budgeting in Buenos Aires." *Journal of Latin American Studies* 47(1), 1–27.
- Souza, Celina. 2002. *Participatory Budgeting in Brazil: Decentralization and Policy Innovation*. Federal University of Bahia and University of São Paulo (Brazil). Short version of the report commissioned by the International Development Department of the School of Public Policy, University of Birmingham (UK) as part of a research project on Urban Governance, Poverty, and Partnerships. URL: <http://www.wmd.org/action/oct-nov02/SouzaHabitat.doc> (retrieved April 4, 2019).
- Wampler, B. 2007. "A Guide to Participatory Budgeting." In: Anwar Shah (ed.). *Participatory Budgeting*. Washington: The World Bank, 1–55.
- Wilmore, L. 2005. "Civil Society Organizations, Participation and Budgeting." In: *Citizen Participation and Pro-poor Budgeting*. New York: United Nations.

# Networked Individualism: A New Narrative for Citizens' Participation in the Decision-Making Process in Latvia

*Lilita Seimuskane<sup>1</sup>, Eduards Lielpeters<sup>2</sup>*

## Abstract

The participation process is the most complex mechanism in the relationship between citizens and public authorities. Traditionally, in connection with the participation, the institutional forms are being studied, since their activities can be counted and measured, for instance, voter turnout in elections or referenda. However, this does not provide a notion about the actual volume of citizens' participation. Non-institutional participation forms become more visible but it is still difficult to measure them. Citizen participation in the decision-making process of public administration is comparatively low in Latvia – around 50% of Latvian citizens vote in elections and around 5% of citizens are members of non-governmental organisations. New forms of participation are needed to foster citizen engagement in a contemporary way that corresponds to the needs and habits of citizens. To identify stakeholders' attitudes and habits the results of the citizens' survey on their preferable forms of political participation were analysed as well as the results of a questionnaire conducted with public administration representatives responsible for communication and cooperation with citizens. The paper recognises that public administration authorities in Latvia are aware of the citizen engagement opportunities that information and communication technologies are offering, however, it is not enough that Latvian public authorities are simply present in the same digital world where citizens are spending their time, they must also be attractive and open to two-way communication to engage citizens in political participation. Thereby, public administration in Latvia should pay attention to digital communication and individual participation as a possible solution to foster citizen engagement in the decision-making process, thereby gradually increasing citizens' trust in public authorities. Considering the indications of networked individualism in Latvia, a com-

1 Faculty of Business, Management and Economics, University of Latvia, Riga, Latvia.

2 Faculty of Business, Management and Economics, University of Latvia, Riga, Latvia.

prehensive digital participation policy is needed to ensure that citizens and public authorities are successfully using digital opportunities that are available for them in Latvia.

## **1. Goal**

---

The goal of the digital participation policy is to foster citizens' participation in the public policy decision-making process in a contemporary way that is adapted to the citizens' habits. The successful policy implementation could lead to higher rates of citizen participation, thereby helping public administration to design public policies that are more successfully meeting the needs and beliefs of citizens. The opportunity to participate in the designing process of new public policies and supportive and understandable policy results in the long-term will foster citizens' trust in public administration.

Citizens actively use the internet in Latvia and more than half the population participates in social networks. Thereby, implementation of digital participation policy could encourage Latvia to become a country where digital communication and non-institutional forms of participation are successfully used by public administration. The development of information and communications technologies (ICT) and Web 2.0, on the one hand, has brought new opportunities, wider cooperation and communication in the implementation of the participation process, and on the other hand, this digital development has created pre-conditions to the individual's expression or action. ICT has consolidated “networked individualism”, which is an emerging system of social relationships focused on individual (Castells, 2013). If Latvian authorities are ready to listen to individual citizens and use ICT to foster citizen participation, a strategic digital participation policy is required to ensure that the potential of digital participation is used successfully.

## **2. Target Group**

---

A common digital participation policy could be designed and implemented in Latvia by the State Chancellery of Latvia. Previously, the State Chancellery developed guidelines for Latvian ministries with suggestions for digital communication. It is also the main responsible authority for Latvia's participation in the Open Government Partnership – the development of a common digital participation policy could be easily linked to the objectives of the partnership.

## **3. Policy Aims**

---

Through the implementation of a digital participation policy, public authorities would foster digital communication with citizens and citizen engagement in the

decision-making process, therefore gradually also increasing the level of trust in public authorities as citizens would be more involved in the decision-making process from the beginning.

Latvian public authorities are actively using social media and the most often used social networks are Facebook.com and Twitter.com. On May 1, 2019, Facebook.com pages of Latvian ministries had from 650 to 7500 followers (depending on the particular ministry, but only two ministries had less than 1000 followers). The total amount of all followers was more than 33,000. The implementation of a digital participation policy could help to gain more attention from citizens that could be measured by an increase in followers, especially for those ministries with the smallest number of followers.

In the Latvian National Development Plan 2014–2020, the base value for civic participation index was mentioned as 7.4% in 2009 and the goal for 2020 is set at 19% (Cross-Sectoral Coordination Centre, 2012). A digital participation policy could contribute to the achievement of this objective if this is not reached by 2020.

Most studies on participation show that the trust factor is important. Trust should be at least minimal so that political programmes can continue to function after they are introduced (Ruscio, 1997). For the state to develop and for political leaders to implement reforms, take risks, and guide the state in a selected direction, public trust has the most important role as it shows voters' support for the chosen policy (Warren, 1999). Citizens' trust in public authorities in Latvia is comparatively low and in political parties, one of the lowest in the EU. Citizen trust rate in June 2019 was 35% in public administration, 31% in the Latvian Government, 21% in the Latvian Parliament, 45% in local governments and 8% in political parties. Compared to autumn 2018, the trust rate increased in public authorities but decreased in political parties and municipalities (European Commission, 2019). The main (most important) aim of the digital participation policy could be fostering trust in public authorities in Latvia and improving the trust rate closer to the EU average.

#### **4. Background of the Problem**

---

Citizens in Latvia already have various opportunities for participation in the decision-making process, but those opportunities are not widely used as citizens are not well informed about them and are not motivated to participate. Although there are citizens who have opinions about policy issues and who would be interested in participating in the decision-making process, citizens must be very motivated to search for participation options as they are often not widely announced, are not easily accessible and do not correspond to the needs and habits of citizens. When analysing participation causes and consequences (*see Figure 1*), Teorell saw participation as an influencing attempt; as direct involvement in decision-making and as

a discussion/negotiation (Teorell, 2006). Use of digital solutions could ease citizens' involvement in the decision-making process, but it is important to understand citizens' attitudes and preferences on civic and political participation to design a successful digital participation policy.

To identify citizens' attitudes and habits towards participation in the decision-making process, a survey was conducted in cooperation with the Marketing and Public Opinion Research Centre SKDS in June 2012. 1050 Latvian citizens aged 15 to 74 participated in the survey, representing all regions of Latvia. For further analysis, results were selected from 623 respondents – those who provided answers to all the questions in the survey. Results of the survey show which forms of participation – institutional (*see Table 2*) and non-institutional (*see Table 3*) are preferred by Latvian citizens. Respondents of the survey recognised voting in municipal elections as the most effective form of participation – 33.9% of respondents rated it 10 (very effective), 9 or 8. A high rating was also given for the use of mass media for the promotion of important issues (32.1% and 46.9% accordingly) and use of social media for the promotion of important issues (30.4% and 47.3% accordingly). Voting in municipal elections is an institutional form of participation, but the next two most popular choices are non-institutional forms of participation. Thereby, according to the results of survey, more support to non-institutional forms of participation is needed in Latvia.

To identify public authorities' attitude towards digital participation, a questionnaire to representatives of the Latvian public administration was carried out in April and May 2019 using the online research survey software QuestionPro. A personal invitation to complete the questionnaire was sent to those representatives of the Latvian public administration who are responsible for communicating with society and cooperating with citizens. In total, 55 full or partial responses were received. Respondents represented Latvian ministries, the Latvian Parliament, Cross-Sectoral Coordination Centre, local governments and several other Latvian public authorities. In the questionnaire, respondents were asked to evaluate various types of activities that could help foster civic and political engagement (*See Table 4*). The types of activities that were provided for the evaluation represented both traditional and digital activities, which could lead to better citizen engagement in the decision-making process of public administration. Results of the questionnaire indicated that representatives of the Latvian public administration consider communication in social media as a useful activity that can help foster civic and political engagement: 81% of respondents rated it 7, 8, 9 or 10 (in a scale from 1 to 10). Also, access to Open data is seen positively: 68% of respondents rated it 8, 9 or 10.

Results of both studies indicate that citizen participation in Latvia, for now, is only partially controlled and participation options that are provided by public authorities are not always those that are preferred by citizens. However, public au-

thorities and citizens are open to digital solutions and therefore, it could be a good time in Latvia for the implementation of a digital participation policy.

## 5. Alternatives

---

Alternatives of the digital participation policy should be considered in the context of participation traditions in Latvia and other local specifics, such as a comparatively small population, habits in the use of the internet and digital technologies, and knowledge about democracy, public authorities and civic and political participation. Citizen knowledge on the necessity and benefits of civic and political participation is comparatively low in Latvia. Also, there is still comprehension from the Soviet occupation era that the state determines everything and citizens who are participating in the decision-making process are doing so for selfish reasons. The aims of the digital participation policy are fostering citizen participation in the decision-making process and increasing citizens' trust in public authorities. As alternatives to this policy six other scenarios are analysed (*see Table 5*): easing or supplementing regulations that control the current participation opportunities; providing much more support from state to non-governmental organisations; broadening the range of citizens who can participate in the advisory bodies; implementing a comprehensive national level educational programme in schools; campaigning in the mass media about current civic and political participation options and the necessity to use them. Also analysed is a scenario where no changes are made and citizen participation in the decision-making processes in Latvia continues at the same level and regulations as it is now.

### Continuing the Current Situation

Opportunities of citizen participation in the decision-making process in Latvia are currently regulated by the Republic of Latvia Cabinet Regulation No. 970 "Procedures for Public Participation in the Development Planning Process". According to this regulation, "upon deciding on commencing development planning in a field or sector of policy, or territory, an institution shall determine an official who is responsible for ensuring public participation" (Latvian Herald, 2013), thus public administration is responsible for citizen engagement and can choose the stage of the decision-making process when citizens are addressed, as well as the methods to do this. This regulation indicates various types of activities for individuals to participate in development planning, but citizens must be ready to search for those engagement opportunities as they are not very actively announced. If the scenario of the current situation continues, trust in public authorities and citizens' participation rate will grow, but only because of external actors such as non-governmental organisations or international organisations.

## **Easing or Supplementing Regulations That are Controlling Current Opportunities of Participation**

When elaborating upon recommendations to local governments for the improvement of the participation process, the Committee of Ministers of the Council of Europe suggested using the CLEAR model to diagnose and self-evaluate the participation process (Council of Europe, 2009). The CLEAR model identified five key factors where the most effective participation is possible – when the population can participate; likes to participate; is enabled to participate; is asked to engage; and is responded to (Stoker, 1996). In the case of the Latvian public authorities and their capacity to engage citizens in the participation process, the most challenging factor is a sense of affiliation – citizens are not motivated to participate. Latvia's historical background and comparatively small experience of democracy are impacting citizens' ability to perceive their political participation opportunities and public authorities' skills to provide citizen-centric participation opportunities. Easing or supplementing regulations that control current participation opportunities could lead to more active citizen participation and higher citizen trust in public authorities. However, without additional information campaigns, this will not foster citizens' comprehension about the necessity and benefits of participation.

## **Providing Much More Support From the State to Non-Governmental Organisations**

On the home page of the State Chancellery of Latvia, non-governmental organisations are emphasised as the preferable way for citizen participation to ensure more chance to influence decision-making (State Chancellery of Latvia, 2018A). Thereby, in the everyday decision-making process, citizen engagement is implemented through various working groups and advisory councils. In Latvian ministries and their subordinate authorities, the amount of advisory bodies is gradually increasing – in 2012, there were 135 and in 2018 this increased to 170 (State Chancellery of Latvia, 2018B). Providing more support from the state to non-governmental organisations could ensure that non-governmental organisations are more able to actively inform citizens about civic and political participation. Financial support to non-governmental organisations would also allow them to attract more citizens to become active in the non-governmental sector and provide their opinions to public authorities with the mediation of non-governmental organisations.

## **Broadening the Range of Citizens Who Can Participate in the Advisory Bodies**

Although advisory bodies were not highly appreciated by citizen surveys, broadening the range of citizens who can participate in the advisory bodies could lead to a higher trust rate in public authorities as this scenario would demonstrate to citizens that advisory bodies are not exclusive or secret societies and citizens' opinions are

welcomed in the decision-making process. This scenario does not require large financial resources and could be implemented to reach a certain slightly higher level of citizen participation in Latvia.

### **Implementing a Comprehensive National-Level Educational Programme in Schools**

Verba et al. emphasised the importance of time, money, and civic skills as factors that are impacting citizen participation. These are the factors that are related to features of the socio-economic status (SES), namely education, income, occupation, age, gender, and family status. The key principle of the SES model is that individuals with a higher socio-economic status, and those who have a higher level of education and income, as well as a job of higher status, are more active participants. In several studies, both in the 1990's (Verba et al. 1995) and in the early 21<sup>st</sup> century (Rosenstone, Hansen, 2003; Hooghe, Quintelier, 2013), the SES is still recognised to be a significant decisive factor of participation activity. Implementing a comprehensive national-level educational programme in Latvian high schools and universities will increase youth knowledge about civic and political participation, gradually in the long-term leading to a higher participation rate. If youth can better understand how public administration and the decision-making process is organised, they can become more tolerant to public authorities, thus, this scenario indirectly can also foster citizens' trust in public authorities.

### **Holding a Campaign in the Mass Media About Current Civic and Political Participation Options and the Necessity to Use them**

Verba et al. studied the reasons for individuals not participating in politics and obtained three answers — they cannot, they do not want to, and they have not been asked (*see Table 1*). When assessing the three groups of answers, the researchers identified the factors that could affect the individuals' participation: corresponding resources, motivation, and mobilisation (Schlozman, 2003). Holding a campaign in the mass media about current civic and political participation options and the necessity to use them could solve the motivation problem and current comprehension that citizens' opinions are not welcomed by public authorities in the decision-making process. However, such a campaign would not fix the problem with those participation opportunities that are not citizen-centric and easy to access.

Although there are several alternative scenarios that can partially achieve the goals of digital participation policy, those alternative scenarios concentrate on fixing current participation opportunities, their availability and recognition. With the same opportunities that most citizens are not interested in using, it is therefore a risk to foresee if additional support to those participation methods will ensure an increase in participation. On the contrary, the development of a digital participation policy could be a useful step forward, successfully using the contemporary

situation in Latvia whereby citizens and public authorities are still learning to use digital technologies and online opportunities and therefore together, can customise the use of the digital environment for a good, useful and convenient purpose.

## 6. Stakeholder Analysis

---

The main stakeholders of the digital participation policy are Latvian public authorities who implement the policy and Latvian citizens – the target group that must be reached if the policy is to be implemented successfully. Statistical data suggests that in Latvia, citizens are not interested in the institutional participation – around 5% of Latvian citizens are members of non-governmental organisations (Cross-Sectoral Coordination Centre, 2017), and participation rates in state and local elections are gradually decreasing, and less than 1% of citizens are members of political parties, which is below the EU average (Van Biezen, Mair, Poguntke, 2012). However, in Latvia, citizens are actively using the internet: in 2018, 82% of all Latvian households had access to the internet and 62% of citizens participated in social networks (Central Statistical Bureau of Latvia, 2019). The use of internet and social media is increasing in Latvia; the highest increase can be observed in the use of the internet via smartphones, as technical and market development is providing good availability of mobile internet. There are good preconditions for citizens’ digital engagement and such a scenario is positively perceived by the Latvian non-governmental sector, although the main arguments against digital participation policy are the level of citizen digital skills and current digital activities of public authorities, which are not gaining sufficient attention from citizens as the content produced by the authorities is struggling to compete in attractiveness with the content produced by the mass media, businesses and entertainment accounts.

Latvian public authorities are present in the digital environment, the most used social media platforms are Facebook.com and Twitter.com, but lately, Instagram.com is also becoming more and more popular. Still, in most cases, social media is used for one-way top-down communication, considering it as another mass media channel that could be used as a place which represents the institution and not engage in two-way communication. The main arguments against the development of digital participation policy are the financial aspects and public administrations’ critical views on citizens’ comprehension in public policy issues.

## 7. Consultation

---

The results of the citizen survey and questionnaire to representatives of the Latvian public administration suggest that there are various experiences, habits and expectations of citizen participation, both from citizens and from the public authorities’ side. Thus, both stakeholders – citizens and representatives of public administration

should be consulted when designing new digital participation policy. Considering that this policy is designed for citizens, they must be involved in the decision-making process as early as possible, as well as final consultations and testing by citizens should be implemented before digital participation policy comes into force.

Consultations with respect to the local specifics of communication and participation in Latvia could also be made in international digital democracy experience. Latvia has been participating in the Open Government Partnership initiative since 2011 and that is providing a more comfortable environment for public participation, for example, encouraging an Open data policy in Latvian public authorities (Open Government partnership, 2018). In addition, recommendations and case studies on digital democracy which are published by the OECD, the Council of Europe and the European Union should be considered.

## **8. Policy Recommendation**

---

Non-institutional forms of participation are highly valued by citizens as the preferred methods for engagement in the decision-making process. To foster citizen engagement in Latvia, public administration should give more recognition to non-institutional forms of participation and incorporate them in the decision-making process. This could be done via digital solutions as an answer to networked individualism in Latvia.

Although consultative bodies, such as advisory councils or working groups, are common practice in Latvia for citizens' political engagement, both studies indicated that this type of participation is not rated highly by citizens and representatives of public administration. With a digital participation policy, this method of engagement could be replaced or supplemented by some form of individual digital participation, for example, a smartphone application.

People in Latvia are actively using social media, thus the digital environment could be the place where citizens and public administration could meet and communicate. The biggest challenge for public administration in social media is to be noticeable among other content creators – commercial and entertainment pages, as well as, private content made by people. To be able to stand out, public administration should carefully plan communication activities and the use of visual materials, such as photos, short videos and infographics. Two-way communication and an informal communication style would be preferred, to be more attractive to citizens. A national digital participation policy could be the way to ensure consistency in all communication activities of Latvian public authorities.

Political participation is a habit that must be learned, therefore, the first step of the digital participation policy must be educating citizens about their participation opportunities, which can consecutively be followed by providing easily accessible digital participation options. The final step, which could help to foster citizens' trust

in public administration, must be public reflections on what aspects citizen engagement helped to shape current public policy.

Special attention in the digital participation policy should be devoted to youth, creating separate social media pages or smartphone applications that engage the young in the decision-making process and foster their knowledge about civic and political participation.

## 9. Conclusion

---

In Latvia, the digital environment and online habits of citizens are providing good preconditions for the development of networked individualism and digital non-institutional forms of participation. It is a very good time for the implementation of a digital participation policy in Latvia as citizens and representatives of public administration have similar positive views on social media as a tool for civic and political engagement. Citizens rated it as very useful for the promotion of important issues, and representatives of public authorities considered that social media can help foster civic engagement. Nevertheless, in the public authorities, there are distinct differences in communication habits and internal regulations. A common digital participation policy is needed to provide more transparent, easier and faster digital communication that can foster citizen participation in the decision-making process. The main benefit for citizens from such a policy could be better opportunities to engage in the future development of Latvia, but for public administration it gives the opportunity to be closer to citizens and gradually foster citizens' trust in public administration.

## References

---

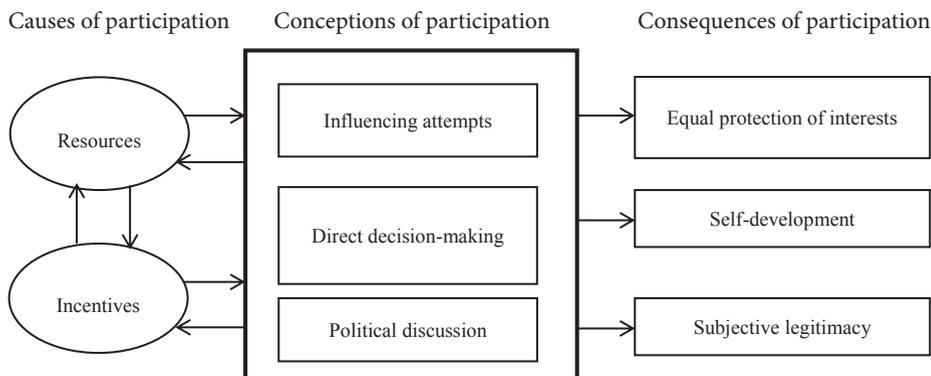
- Castells, M. 2013. *Communication power*. Oxford University Press.
- Central Statistical Bureau of Latvia. 2019. *Science and ICT*. [https://data1.csb.gov.lv/pxweb/en/zin/zin\\_01ikt\\_datori\\_iedz/?tablelist=true](https://data1.csb.gov.lv/pxweb/en/zin/zin_01ikt_datori_iedz/?tablelist=true) (accessed 08.04.2019).
- Council of Europe. 2009. *Recommendation Rec (2009) 2 of the Committee of Ministers to member states on the evaluation, auditing and monitoring of participation policies at local and regional level.* [https://search.coe.int/cm/Pages/result\\_details.aspx?ObjectId=09000016805d1979](https://search.coe.int/cm/Pages/result_details.aspx?ObjectId=09000016805d1979) (accessed 08.04.2019).
- Cross-Sectoral Coordination Centre. 2017. *Nacionala attistibas plana 2014–2020. gadam un Latvijas ilgtspejigas attistibas strategijas lidz 2030. gadam istenosanas uzraudzibas zinojums*. [https://www.pkc.gov.lv/sites/default/files/inline-files/NAP2020%20vidusposma%20zinojums\\_0.pdf](https://www.pkc.gov.lv/sites/default/files/inline-files/NAP2020%20vidusposma%20zinojums_0.pdf) (accessed 08.04.2019).

- Cross-Sectoral Coordination Centre. 2012. *National Development Plan of Latvia for 2014–2020*. [https://www.pkc.gov.lv/sites/default/files/inline-files/NDP2020%20English%20Final\\_1.pdf](https://www.pkc.gov.lv/sites/default/files/inline-files/NDP2020%20English%20Final_1.pdf) (accessed 08. 04. 2019).
- European Commission. 2019. *Standard Eurobarometer 91*. <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveydetail/instruments/standard/surveyky/2253> (accessed 20. 08. 2019).
- Hooghe, M., Quintelier, E. 2013. Political participation in Europe. In: *Society and Democracy in Europe*. Ed. by Keil, I., S., Gabriel, O., W. London & New York: Routledge. pp. 220–243. ISBN 978-0-415-52384-4.
- Latvian Herald. 2013. *Procedures for the Public Participation in the Development Planning Process*. <https://likumi.lv/ta/en/en/id/197033-procedures-for-the-public-participation-in-the-development-planning-process> (accessed 08. 04. 2019).
- Lielpeters, E. 2019. Questionnaire to representatives of the Latvian public administration.
- Open Government partnership. 2018. *Latvia*. <https://www.opengovpartnership.org/countries/latvia> (accessed 08. 04. 2019).
- Rosenstone, S. J, Hansen, J. M. 2003. *Mobilization, participation and democracy in America*. New York: Longman, pp. 368. ISBN-10:0321121864.
- Ruscio, K., P. 1997. Trust and the Administrative State. *Public Administration Review*, Vol.57(5), pp. 454–458. ISSN: 0033-3352.
- Schlozman, K. L. 2003. Citizen participation in America: What Do We Know? Why Do We Care? In: *Political Science: State of the Discipline*. Katznelson, I., Milner, H., V, ed. New York: W. W. Norton & Company, pp. 433–461. ISBN – 10 0393978710.
- Seimuskane, L., Marketing and public opinion research centre SKDS. 2012. Survey of Latvian residents – assessment of citizens' participation and democracy in local governments in Latvia.
- State Chancellery of Latvia. 2018A. *Līdzdalības iespejas*. <https://www.mk.gov.lv/content/lidzdalibas-iespejas> (accessed 08. 04. 2019).
- State Chancellery of Latvia. 2018B. Results of the survey *Public participation in state and local government*. Presentation by State Chancellery of Latvia in connection with the 29.08.18 conference *Informesana->lidzdarbiba*.
- State Chancellery of Latvia. 2014. *Valsts kancelejas mobila aplikacija "Futbols" – starp 40 labakajam pasaula!* <https://www.mk.gov.lv/lv/aktualitates/valsts-kancelejas-mobila-aplikacija-futbols-starp-40-labakajam-pasaule> (accessed 08. 04. 2019).

- Stoker, G. 1996. The Decline of Citizen Engagement? In: *Why politics matters making democracy work*. Palgrave Macmillan, pp. 87–102. ISBN 1-4039-9740-3.
- Teorell, J. 2006. Political participation and three theories of democracy: A research inventory and agenda. *European Journal of Political Research*. Volume 45, Issue 5, pp. 787–810.
- Van Biezen, I. Mair, P., Poguntke, T. (2012). Going, going,... gone? The decline of party membership in contemporary Europe. *European Journal of Political Research* 51, 24–56.
- Verba, S., Schlozman K. L., Brady H. E. 1995. *Voice and Equality: Civic Voluntarism in American Politics*. Cambridge, MA: Harvard University Press, pp. 15.–16. ISBN 0-674-94293-0.
- Warren, M. E. 1999. *Democratic theory and trust*. In: Democracy and Trust (ed. Mark E. Warren). Cambridge: Cambridge University Press, p. 310. ISBN: 0-521-64687-1.

## Appendix

**Figure 1**  
Causes, spectrum, and consequences of political participation



Source: Jan Teorell, 2006

**Table 1**  
Individual-level factors of political participation

Answer formulation	Explanation	Factors
<b>They cannot</b>	Characterises insufficient resources — time, money, and civic skills — of an individual for him/her to able to participate.	Individual <b>resources</b> that are formed by features of socio-economic status (SES).
<b>They do not want</b>	Characterises weak interest in politics and questions that are topical to society Participation has small or zero significance.	Factors that <b>motivate</b> political interest and participation.
<b>They haven't been asked</b>	Indicates isolation of an individual from recruitment networks that help to mobilise for political purposes.	<b>Mobilisation</b> or integration channels — participation in social a.o. network-type organisations.

Source: Summary of the co-author Lilita Seimuskane by using Civic Voluntarism Model by Verba, Schlozman, and Brady, which identifies the factors that could affect participation

**Table 2**  
Evaluation of institutional forms of participation

<b>N=623</b>	<b>Value 1;2;3</b>	<b>Value 1;2;3,4</b>	<b>Value 8;9;10</b>	<b>Value 7;8;9;10</b>	<b>Order according to evaluation</b>
Local (municipal) elections	16.9%	24.4%	33.9%	48.5%	1
Municipal referendum	24.0%	30.7%	29.1%	43.0%	2
Public consultations	24.6%	31.3%	23.6%	35.8%	3;4
Engaging in political parties	40.8%	52.2%	10.7%	19.8%	6
Participation in municipal commissions, working groups, advisory councils	29.1%	39.1%	14.8%	24.3%	5
Personal contacts with local government deputies or officials	22.6%	31.2%	25.6%	37.9%	3;4

Source: Co-author's Lilita Seimuskane and Marketing and public opinion research centre SKDS Survey of Latvian residents, 2012

**Table 3**  
Evaluation of non-institutional forms of participation

<b>N=623</b>	<b>Value 1;2;3</b>	<b>Value 1;2;3,4</b>	<b>Value 8;9;10</b>	<b>Value 7;8;9;10</b>	<b>Order according to evaluation</b>
Citizens' meetings	21.0%	29.1%	25.3%	38.8%	5;6
Round table discussions and forums	30.0%	39.8%	14.6%	28.9%	7;8
Participation in non-governmental organisations and professional organisations	33.6%	46.3%	10.3%	21.4%	10
Citizens' surveys	16.7%	25.6%	24.6%	39.5%	3;4
Collection of signatures and signing petitions	17.4%	27.2%	25.4%	42.1%	3;4
Legal protests, demonstrations and strikes	21.6%	31.1%	24.1%	40.1%	5;6
Using mass media for promotion of topical issues	16.5%	21.2%	32.1%	46.9%	1;2
Using social media for promotion of topical issues	15.5%	20.5%	30.4%	47.3%	1;2
Using influence of trade union	32.9%	44.1%	13.0%	24.5%	7;8
Moving to another place of residence	52.9%	59.9%	13.0%	19.2%	9

Source: Co-author's Lilita Seimuskane and Marketing and public opinion research centre SKDS Survey of Latvian residents, 2012

**Table 4**  
 Activities that could help foster civic and political engagement  
 (Evaluation by representatives of Latvian public administration)

<i>n=31</i>	<b>Value 1;2;3</b>	<b>Value 1;2;3,4</b>	<b>Value 5;6</b>	<b>Value 7;8;9;10</b>	<b>Value 8;9;10</b>	<b>Order according to evaluation</b>
Active communication of public authority in social media (including evenings, weekends and national holidays)	10 %	12 %	7 %	81 %	68 %	4
Public authority is providing citizens with access to research data, statistics and other relevant information (Open data)	3 %	3 %	20 %	77 %	68 %	3
Participation events organised by public authority in the regions of Latvia	10 %	10 %	17 %	73 %	63 %	5
Public authorities' mobile app or participation app for smartphones	23 %	32 %	23 %	45 %	29 %	7
Educating young people in schools and universities on civic and political participation	3 %	3 %	10 %	87 %	71 %	1
Broader representation of citizens in the public authorities' consultative bodies (advisory councils or working groups)	10 %	13 %	36 %	51 %	32 %	6
Informing citizens in mass media on opportunities for civic and political participation in Latvia	3 %	6 %	10 %	84 %	77 %	2

Source: Co-author's Eduards Lielpeters questionnaire to representatives of the Latvian public administration, 2019

**Table 5**  
Alternative scenarios for reaching the goals of digital participation policy

Criteria					
Alternative scenarios	Citizens' knowledge about participation	Citizens' trust in public authorities (dialogue and feedback)	Availability of participation options	Cost and efficiency	Results and long-term effects
Continuing the current situation	Level of knowledge is insufficient.	Level of trust is comparatively low; dialogue and feedback are often missing.	Variety of participation options but citizens have to search for them.	No additional cost, current resources could be used more efficiently.	Trust in public authorities and participation rate can grow only because of external actors
Easing or supplementing regulations that are controlling current opportunities of participation	Indirect effect – if more people will participate, more people will be informed.	Level of trust can increase as public authorities are opening up for more participation.	The number of participation options could be increased.	Low additional costs, needs additional activities to increase the participation rate.	Without additional information campaign results will be reached slowly. A good first step that can later lead to digital participation policy.
Providing more support from the state to non-governmental organisations	Indirect effect – if non-governmental organisations will inform society	Level of trust can increase if support to non-governmental organisations is organised transparently.	The number of participation options is not changing.	Finances needed for funding. Quality of NGOs' participation could increase.	Support for non-governmental organisations could lead to a more active society in the long-term.
Broadening the range of citizens who can participate in the advisory bodies	Level of knowledge could increase, but additional information activities are needed.	Level of trust could increase as public authorities are opening for more participation.	The number of participation options could be increased but it could also stay the same.	Low additional costs and final policies correspond more to the needs and habits of citizens.	For a certain level of trust in public authorities and participation rate could be increased.

Implementing a comprehensive national-level educational programme in schools	Level of youth knowledge will be increased.	Indirect effect – a better understanding of public authorities and participation could improve trust rate.	The number of participation options is not changing.	Finances needed for designing the programme and implementing it. Efficiency could be measured only in the long-term.	In the long-term it gives a very positive effect on citizen participation and partly also on trust in public authorities.
Holding a campaign in mass media about current participation options	Level of knowledge will be increased.	Level of trust could increase if the campaign is successful.	The number of participation options is not changing.	Finances needed for designing the campaign and disseminating it. Could be effective for specific participation options.	Short-term improvement could be reached. In the long-term with one campaign it will not be enough.
Developing digital participation policy	Level of knowledge will be increased.	Level of trust could increase if opportunities of digital dialogue and feedback are used successfully.	The number of participation options is increasing if digital opportunities are implemented in the decision-making process.	Finances needed to support additional digital activity and designing new participation opportunities (smartphone applications etc.)	Level of knowledge on participation and number of participation options will increase. Level of trust will grow if the policy is implemented successfully.

Source: Authors' construction according to the analysis of alternative scenarios.



## 4.3. Reforms and Change



# Changes in the Organisational-Legal Form of Hospitals

---

*Olga Angelovská<sup>1</sup>*

## **Abstract**

The contemporary legal form of contributory organisations is, in the case of hospitals, considered outdated. There were several attempts to change the unsatisfactory law, which dates back twenty years and which had been claimed to be a temporary regulation. The reason for the absence of significant change is undoubtedly the political sensitivity of the matter. There are currently three options. In addition to remaining in the current state, it is either a move towards one of the existing legal norms, namely a joint-stock company, or the adoption of new legislation for a new legal form of non-profit health organisation. Given the deficiencies of the current legislation and the specific needs of hospitals, we tend to prefer to adopt new legislation addressing the position of a non-profit health organisation, including the setting up of university hospitals. The policy paper is intended for government authorities and the general public to give a picture of the possibilities of dealing with the unsatisfactory legal form of large hospitals founded by the Ministry of Health.

## **Goal**

---

The contemporary organisational-legal form of Czech hospitals run by the Ministry of Health as budgetary organisations is already outdated and does not fulfil the actual needs of these organisations. During the last twenty years, there were several unsuccessful attempts to change. The main goal of the paper is to propose a way to use a window of opportunity and enforce sustainable changes in the organisational-legal form of Czech hospitals.

The reorganisation of hospitals in recent decades has been accompanied by many changes, including increasing pressure on public administration officials requiring a change in management and control in public organisations. The com-

---

1 Faculty of Social Sciences, Charles University, Prague, Czech Republic.

bination of these pressures has prompted the need for new managerial approaches in public hospitals and has forced health policymakers to consider a new organisational form of care provision by public hospitals. In the case of a wide debate, including the general public and professional organisations, the potential change could be sustainable.

## **Policy Client**

---

The policy paper is intended for government authorities and the general public. The government authorities, above all the Ministry of Health, are the initiators of the legislative changes. The general public, particularly professional organisations, influence the sustainability of the new policy, especially when the changes are in such a sensitive area as health care.

## **Policy Aim**

---

The main policy aim is to increase the sustainability of change in the organisational-legal form of hospitals, in particular by increasing the involvement of loyalty and interest organisations in the debate on the proposal for change. At the same time, there is a need to find a longer-term consensus across political parties to avoid the risk of repealing the law with a new parliamentary term.

Public awareness (caused by better access to information concerning the change) lets people make personal choices in their engagement with health institutions and can guarantee the protection of the public interest. One of the policy aims is to better inform the public about the proposal (the number of published articles or reports on Ministerial web pages or in the media). The second aim is to invite interest organisations for open discussion on the proposal. The form of such an approach can be a round table. (number of round tables, number of participants and their structure). The eventual aim is to find consensus in Parliament (the number of political parties included in the debates, maintaining a proper route for the legislative process).

## **Background to the problem – A contributory organisation as an outdated but surviving legal form**

---

Transformational changes in health took place very quickly at the beginning of the 1990s. The emphasis was placed on the de-nationalisation of health care, de-monopolisation and decentralisation, whilst the development of the legal framework of the health law was characterised by temporary solutions that did, however, persist for quite some time. The process of a non-conceptual approach concerning the status of hospitals continued with public administration reform at the beginning of

the new millennium. It became a significant incentive for contemporary legislation of contributory public organisations arising from Act No. 219/2000 Coll. which should only have been a temporary regulation, as was stated in the explanatory memorandum of the proposal. Contributory organisations should primarily be state service organisations through which the state would fulfil its tasks. However, the legislation does not reflect the particularity of the specific activities that are carried out by state contributory organisations. One such specific activity is also the provision of health services.

In 2004, the Czech Medical Chamber (CMC) initiated a proposal on Public Non-Profit Institutional Health Facilities, which was later developed by the Ministry of Health. The hospitals should be transformed into non-state non-profit organisations. The Act itself establishes a special type of health care facility, which can be established by the state (Ministry of Health), region or municipality. Every hospital in the Czech Republic, including private hospitals, could decide to become public and accept the supervision of the Ministry, which would then become involved with its operations and decision-making, and in exchange, gain access to the public health insurance system. If the hospital remains outside the system, it can continue to treat patients, but without the right to receive payments from the public health insurance system. It was the only Act that was validated, but it did not have any real effect. It was abolished within five years with the justification that the norm had never been used in its five years of validity. No non-profit hospital was established. However, it was the only successful attempt at legislative change. The hospitals run by the Ministry of Health remained contributory organisations.

The second significant attempt to change the organisational-legal form of hospitals took place in 2007. In contrast to the previous proposal in 2004, the Ministry of Health discussed the preparatory Bill with a number of actors within the so-called round table. Due to significant last-minute changes to the draft, which were not discussed with the other actors, the proposal had no support, not only from the opposition but also from the coalition — the proposal planned to transform hospitals into joint-stock companies.

De facto elections in 2013 led to the rebirth of the Act on non-profit health organisations. In their coalition agreement, the ruling parties pledged to adopt a law on non-profit health facilities that would create a backbone network of hospitals. The law would also include the positioning of teaching hospitals with the participation of universities in their management. The potential new legal form was presented as suitable, not only for contributory organisations, but also for training hospitals and regional hospitals in the form of joint-stock companies. It did not, therefore, include a mandatory changeover to the new form or claimed conclusion of contracts with insurance companies. During the discussions of the Act in 2015, several significant features emerged and, after criticism, they were modified by the Ministry. It was the case of, for example, tax relief for non-profit hospitals or a lim-

ited number of hospitals that could be transformed into non-profit hospitals. The proposal highlighted the role of university hospitals. At the end of the interdepartmental comments procedure, the proposal returned with a large number of comments (over 370). A large number of the comments were incorporated, for example many accounting changes, the guarantee of the state for the obligations of hospitals, and the possibility of a judicial review of the registration of hospitals as non-profit hospitals. The proposal thus experienced significant changes compared to the one-year-old version. At the end of the process, there was a new proposal on university hospitals only. At the same time, the Ministry requested an abridged comments procedure, which lasted only five days and which was the subject of sharp criticism. At the same time, the RIA was not drawn up to the Act. Nevertheless, the Bill passed at first reading. However, the Parliamentary Committee postponed its proceedings until the end of September and failed to discuss the law prior to the next election.

## **Alternatives for Change**

---

### **The zero variant**

This variant assumes the maintenance of the current situation, where hospitals as budgetary organisations will be limited in independent decision-making (essential decisions require the founder's approval under the direct control of the founder) and they are obliged to ensure that the payments to which the contributory organisation pledges do not exceed its budget for the relevant year. They will also be further restricted in their economic activities because they cannot carry out large-scale investment activities or they cannot conclude financial leasing contracts. They are dependent on the founder in the event of insolvency or indebtedness, and they cannot deduct the tax loss from the main activity from the tax base for other activities, so they are not allowed to reduce profits in other activities by the loss of the main activity. It is not possible to make a significant distinction between better-performing contributory organisations and less well-run contributory organisations. It leads to insufficient motivation for the effective use of state property in terms of both pay regulations and state property management. They have no conditions for the development of multi-source financing.

Generally, the whole political representation agrees that the current legislation is inappropriate and that there is a need for change. The zero variant is not suitable and only comes into consideration if a more appropriate solution cannot be found, i.e. if hospitals cannot have a different legal form from the state contributory organisation. There are no additional costs to continue in the zero variant. Because there is no change, there is also no need to discuss with the interest groups or public.

### **The use of one of the already existing legal forms**

The legislation of the Czech Republic regulates many types of legal entities, such as companies, foundations, funds, associations, registered institutes. These existing legal forms do not correspond to the objectives pursued, in terms of the requirements for the management of inpatient health care providers, the financing of their activities, non-profit management and contractual relations with health insurance companies; at the same time to ensure the efficient and economical use of public health insurance funds. The variant does not solve the relationship between hospitals and universities.

Some forms of companies are not applicable to non-profit hospitals. The law allows the State to establish a company or to participate in its formation only in the form of a joint-stock company. Nowadays, most of the regional hospitals run in the form of a joint-stock company. Theoretically, this option entails the risk of privatisation and a possible reduction in access to health services. In practice, these concerns have not been met in the case of hospitals funded by regions and municipalities. In the case of purely private hospitals, in some cases, cream-skimming appeared when hospitals preferred better-priced specialisations — their behaviour then had an impact on other hospitals which provided loss-making disciplines.

For sustainability of the alternative, it is necessary to keep discussions open, especially with interest groups.

### **The new legal form of legal entity, i.e. non-profit health organisation**

The legal form of a non-profit health organisation will only concern the provision of in-patient health care and related health services. This new legal form of legal entity will enable it to be managed in a managerial way and clearly define the management's responsibility for economic activities. It will be a transparent and efficient management of the assets of a non-profit health organisation. Decisions on the principal issues will be made with the participation of the Board of Directors and the Founder, and they will have the full responsibility of the bodies of the non-profit health organisation (director, board) for its activities.

Concerning the relationship with the universities, the new legal form will consist of arrangements for cooperation between a non-profit health organisation and a university. The Act will lay down the conditions for its establishment, structure and activities of the authorities, rules of management on the principle of non-profit and basic rules of cooperation with universities and other educational institutions in the education of health workers and other healthcare workers.

It is necessary to open up the possibility of becoming a non-profit health organisation to other health service providers whose founder or co-founder is not the state. The new legal form should improve employees' motivation in a non-profit health organisation by using the option of contractual salary.

The third variant will bring costs connected with the transformation to the new organisational-legal form. Also, the round tables should be organised to find consensus between most of the political representatives to increase the chance for the sustainability of the new Law.

## Stakeholders

---

The main stakeholders, as a subject of the reform, are hospitals in the form of state *contributory organisations* (approximately 15 organisations). Already in the past, they proved their interest in the change of the organisational legal form with a preference for a non-profit health organisation (or potentially university hospitals as non-profit health organisations).

The other stakeholders are:

- *Ministry of Health* – as a founder of contemporary hospitals as contributory organisations – in the former preferred non-profit form, nowadays we may expect the preference for the status quo;
- *local and regional authorities* as founders of regional hospitals prefer the current state or second option because the funded hospitals are quite often in the form of joint-stock companies;
- *universities and other educational institutions* involved in health education prefer non-profit organisations with improved conditions for the cooperation between hospitals and universities;
- *health insurance companies* as managers of money for health insurance;
- *professional organisations*
  - the Czech Medical Chamber – as a very important and active actor, who made several previous proposals;
  - Czech Pharmacy Chamber, Czech Dental Chamber, Association of GPs, Association of paediatricians;
  - Trade Union of Health and Social Care;
  - Czech-Moravian Confederation of Trade Unions, Confederation of Industry and Transport or Association of Health Insurance Companies.

## Policy Recommendation

---

The current legislative setting hampers hospitals which are still operating as a contributory organisation, in their development. Of the offered options, the third variant is the most suitable, which, in addition to the managerial side of hospitals, would help solve the problem of set-up in the case of university hospitals.

Based on previous experience in 2006 and 2017, we can say that political feasibility will depend on several factors. In addition to the current composition of the political representation, previous discussions of the proposal with the relevant stakeholders, especially hospitals, the Czech Medical Chamber and other interest organisations, play a crucial role. We recommend the form of a round table.

Due to the nature of the provided service, we recommend that the non-profit organisation benefits from a tax advantage. In this case, it is necessary to negotiate a specific setup with the Ministry of Finance, which, for these reasons, hindered the last attempts to change.

Given the difficulty of the problem, it is necessary to submit the bill for comment at the beginning of the parliamentary term and avoid shortening the deadlines so that the bill can be appropriately commented. In the light of previous experience, it is necessary to develop RIA.

## **Conclusion**

---

In the Czech Republic, there have been unsuccessful attempts in recent decades to change the organisational-legal status of hospitals. At the same time, the current regulation of contributory organisations is perceived as unsatisfactory and outdated. Currently, we can identify three basic solutions. The first is keeping the status quo. The second is to move towards one of the existing legal norms, namely a joint-stock company. The last one consists of the adoption of new legislation of a non-profit health organisation.

We propose the last alternative of the new legislation as the most suitable choice. For its successful adoption, it is necessary to fulfil several prerequisites, in particular, to devote sufficient time to discussing and adjusting the new law, not to submit the standard at the end of the parliamentary term, and to involve stakeholders and find political consensus.

## **References**

---

- Angelovská, O., Hanušová, P. 2005. V(d)ěčné spory o krajské nemocnice. *Zdravotnictví v České republice*, roč. 8, č.4/2005.
- Baumgartner, F. R., Green-Pedersen, Ch., Jones B. D. 2006. Comparative Studies of Policy Agendas. *Journal of European Public Policy* 13(7): 959–974.
- Edwards, N., Wyatt, S., Mckee, M. 2004. Configuring the hospital in the 21<sup>st</sup> century. European observatory on health systems and policies, *Policy brief*, No 5.

- Grospič, J., Vostrá, L. 2004. *Reforma veřejné správy v teorii a praxi: problémy reformy veřejné správy v České republice, Maďarské republice, Polské republice a Slovenské republice: sborník z mezinárodní konference, Třešť, 22.–24. října 2003*. Plzeň: Čeněk.
- Havlan, P. 2004. *Majetek obcí a krajů v platné právní úpravě*. Praha: Linde.
- Hendrych, D. 2003. *Správní věda: teorie veřejné správy*. Praha: ASPI Publishing.
- Holub, P., Skovajsa, M. 2006. Zdravotnictví: když partikulární zájmy předběhnou stát. in Nešpor, Z. R., Večerník, J. (eds.) *Socioekonomické hodnoty, politiky a instituce v období vstupu české republiky do Evropské unie*. Praha: SOÚ AV.
- Lawson, C., Nemeč, J. 2003. The Political Economy of Slovak and Czech Health Policy: 1989–2000. *International Political Science Review*. 24(2):219–235.
- Malý, I., Pavlík, M., Darmopilova, Z. 2013. Health Reforms in the Czech Republic. In: Bjorkman, J. W., Nemeč J. (eds). 2013. *Health Reforms in Central and Eastern Europe: Options, Obstacles, Limited Outcomes*. Hague: Eleven Publishers, pp.69–94.
- Rokosová, M. e al. 2005. *Health Care Systems in Transition: Czech Republic*. Copenhagen: WHO Regional Office for Europe on behalf of the European Observatory on Health Systems and Policies.
- Rys, V. 2003. *Česká sociální reforma: (sociologická studie)*. Praha: Karolinum.
- Saltman, R. B., Figueras, J. 1997. *European health care reform. Analysis of current strategies*. WHO regional publications.
- Vepřek, P. et al. 2001. *Koncepce reformy systému zdravotní péče v ČR po r. 2000. Návrh základních směrů řešení*.

# Open Information, Contract Management, Transparency and Ethical Standards: In Local Government Units Contracting Out for Case Management Service Delivery

*Esien Eddy Bruno<sup>1</sup>*

## Abstract

This policy paper discusses issues related to information, contract management, transparency and ethical standards to improve local units of government contracting out for case management in the Czech Republic, Hungary, and Poland. Existing research points to contracting out taking place in a weak macroeconomics context (Petersen et al., 2018; Domberger and Jensen 1997) with budgetary constraints that impact a government's provision of public assistance schemes (Neil, 2004) to review and change service delivery mechanisms. These changes contribute to a more decentralised administration and also reduce the overall quality and performance of the government. Moreover, the administration of governance faces reduced access to information, increased accountability/transparency problems to administer public business, and presents major challenges to institutional compliance and performance management (Berle and Means, 1932). Although the agency relation shows certain local units of government in transitional economies have failed or are inappropriate to administer huge sum of taxpayers' money in contracting out for welfare governance, there is still little policy study research in CEE countries analysing the improvement of local units of government overall contracting out for welfare governance. This also impacts third country nationals and disadvantaged ethnic-minorities employment-related transition in the selected entities. Based on a qualitative cross-country oriented research approach with fewer country comparisons, this policy paper analyses and assesses both centrally directed and locally initiated contracting out governance in the Czech Republic, Hungary, and Poland. The findings show certain service provision is negotiated and exempt from open access to information; contracts are often treated as secret, and the existence of un-

---

<sup>1</sup> Faculty of Social Sciences, Charles University in Prague, Czech Republic.

ethical behaviour, which distorts the core value of trust in corporate governance and impacts third country nationals and (ethnic) minority citizens' transition to work in the selected entities. As a matter of fact, the research recommends open access to (relevant) information, up-skilling and increased public service staff, and open book accounting to combine accountability, integrity, and ethical standards in the formation, delivery and implementation of public service. Not meeting these recommendations may reinforce fraud, penalise vulnerability and belongings, as well as weaken the economy in a global competitive market spectrum.

## **Goal**

---

The goal is to discuss the basic issues of principal-agent relationship relating to access information, contract management, ethical standards, transparency and accountability in local government contracting out for case management. It also highlights that local units of government action in contracting out corporate governance and its implication for third-country national heterogeneous subgroups' employment-related transition requires clarification. Moreover, third-country nationals' groups and other ethnic-minorities' groups of citizens should not simply be joined together in one monolithic category in contracting out governance. Third-country nationals are a distinct group of people characterised by varying degrees of a political and socio-economic integration process with diverse needs who enjoy a different level of institution depending on their entry routes, residency and work permits. The policy paper put forward the argument that the Czech Republic, Hungary, and Poland policymakers and local units of government administrators must take into account the plurality and dichotomy of the country's third country nationals when addressing the challenges and contracting for employment-related issues relevant to these heterogeneous groups. This kind of construct may be useful to policymakers at communal, municipal, local, and central government levels, and inform actors, institutions, and the administrative level of responsibility for the management of diverse third country national's subgroups and socio-economically disadvantaged multi-ethnic minority groups in the Czech Republic, Hungary and Poland. This policy paper analyses and assesses both centrally directed and locally initiated agency responsibility and administration in employment-related case management governance in the Czech Republic, Hungary, and Poland.

## **Policy Client/Audience/Target group**

---

This policy paper is addressed directly and indirectly to actors and institutions involved in migration, labour inspectorate, integration and employment policy-making, decision, and management in Central Eastern European economies. The direct actors and institutions are policymakers (for example, Politicians, public administrators, municipalities, public institutions, etc.). The indirect actors and institutions

are policymakers outside of government (such as practitioners, lobbyists, public interest groups, public relations firms, business groups, faith-based organisations, community-based organisations, individual activists and (social) media that function as regulators.

## **Policy Aims**

---

The main aim of this policy paper is to improve the overall principal-agent agreement in contracting out governance that impacts third country nationals' transition to work in the Czech Republic, Poland and Hungary. This policy paper argues that in contracting out for welfare that deals with third-country nationals' access to employment systems, local units of government (principal) hire an outside party (agent) to carry out the work involved in contracting out service provision, but face challenges with information asymmetry, low administrative capacity, and performance management to monitor and administer agencies' actions and/or behaviour. Hence, this new governance revolves around agency relations and problems that may impair corporate governance in employment-related assistance schemes to enable third country nationals' transition to work. Therefore, it is relevant in this policy paper to analyse principal-agent relations in contracting out relational governance to understand relational corporate governance. In addition, there is a discussion on principal and agent issues related to accessing open information, the professional capability of government officials, transparency and accountability with ethical behaviour to improve contracting out governance in the selected entities. This paper also offers recommendations to principal-agent relational contracting out corporate governance which implicates third country immigrants and other disadvantaged socio-economically ethnic-minorities groups' transition to work in the Czech Republic, Hungary, and Poland.

## **Background to the Problem**

---

“Much more important than the size of government is its quality...” Francis Fukuyama concluded in his influential book *Political Order and Political Decay* (2014).

The private provision of state-funded services has a long history in United States public service reforms. The state reforms take place in a fragile macroeconomic context, often coupled with a weak central government fiscal position (Neil, 2004: 35) and contracting out of public welfare to sustain public finance and subsidised private activity. In 2018, according to Table 1, the general debt-to-GDP ratios were 32.70 %, (Czech Republic), 70.80 % (Hungary), and 48.90 % (Poland) with local and national reforms in an environment of increased fiscal austerity (Trading Economic, 2019; Czech Fiscal Council, 2019; Eurostat, 2019). Such pervasive budgetary

constraints, even although they were below the EU 28 averages (80, 1 %), had a major impact on the government’s provision of public assistance and design of a fiscal policy regime. The impact revolves around a “new governance” of contracting out for welfare to review and change the service delivery mechanism.

The move to a flexible economy contributes to a more decentralised economy and also reduces the overall quality and performance of the government. Quality and performance are used to understand “trust in government” and public sector performance (Thijs et al., 2017) not forgetting private agencies (such as Nongovernmental Organisation-NGOs) in delivering subsidised public goods. In the Czech Republic, for instance, from 2010 to 2016, citizens’ trust in government fell from 31 per cent to 27 per cent (*ibid*). Furthermore, in the Czech Republic, figures from the Public Opinion Research Centres show that the decline in trust levels of the Czech NGOs has been particularly apparent since 2015/6, with 47 % of people overall saying they mistrusted NGOs in 2015, rising to 51 % in 2017, and 53 % in 2018. In Hungary, from 2010 to 2016, citizens’ trust in government fell from 40 per cent to 30 per cent. In Poland, from 2010 to 2016, citizens’ trust in government fell from 28 per cent to 21 per cent (see Table 2). This suggests in all three transition economies citizens are distrustful of government which indicates corruption and ineffective use of taxpayers’ money. This also indicates that public sector performance reduces access to information and increases problems with transparency to administer public business, as well as presenting major challenges to institutional compliance and performance management (Berle and Means, 1932).

Decentralisation and corporate governance reforms are desirable for market efficiency, but it will take time for public service administration to adapt to the new corporate environment, which requires civil service professional capacity and quality/performance improvement (Thijs et al., 2017). In the Czech Republic, the quality of bureaucrats’ capacity slightly increased from 3.7 in 2012 to 3.8 in 2015 – professional rather than politicised. In Hungary, the quality fell from 3.6 in 2012 to 3.1 in 2015. In Poland, the quality of civil service professionalism increased from 3.7 in 2012 to 4.9 in 2015 – professional rather than politicized. Sustainable public finance is also complicated by the fact that most countries’ expenditure budgets continue to be burdened by outlays of other subsidies, generous transfers in cash or vouchers (Neil, 2004), and huge blocks of state funding disbursed to purchase care for dependent disadvantaged groups of people which include migrants seen as a welfare-dependant underclass paying nothing to the taxman, whilst receiving money from the state.

Contracting out reforms take place in a quasi market (Butt and Palmer, 1985) in the context of efforts to decrease the size of government. In the Czech Republic, for instance, expenditures shrank from about 40 per cent of GDP in 2015 to about 32.7 per cent in 2018. In Hungary, the general budget expenditure was more than

76.7 per cent of GDP in late 2015 and about 70.8 per cent in 2018. In Poland, spending fell from 51.3 per cent of GDP in 2015 to 48.9 per cent in 2018 (see Table 3)

Not surprisingly, contracting out of welfare to subsidise private activities from welfare to workfare policies (Neil, 2004) often dominates the state and inter-organisational socio-political agenda. A reduction of exclusion and sustainable public finance, both at centre and sub-national levels, seems significant to the activation adjustment programme of most transitional economies in order to sustain public finance. The current situation is in sharp contrast to the pre-communist period, when strict central controls ensured full employment. Under the old system, a share of savings was an administrative warrant that identified the system of central resource allocation and budget expenditures were guided by “stringent” planning and procedural norms. This suggests the provision of an employment service was not run in the market, but the government committed to invest taxpayers’ money through building public service capability and suitable regulations to transfer from the central budget.

The new concern for sustainable finance and exclusion reduction has led local government units to view contracting out for welfare governance as an opportunity to replace the monopolistic state providers in two ways. First, the contracting out of services is a devolution of responsibility for social welfare from central to local units of government and from local units of government to private enterprise. Second, the local units of government cooperate with competitive multiple independent non-state providers (European Commission 2012; Gesine, 2016) to reduce centrality and enhance individual autonomy. Third, privatising through contracting out, purportedly increases the beneficial effects of competitive bidding from service providers to contain cost and foster quality of services.

Transferring welfare service delivery responsibility: in some countries operational responsibility for social welfare provision service implementation is being transferred to private economic operators. In the Czech Republic, for instance, the Labour Office may sign contracts and transfer responsibilities for welfare service delivery to private companies and other public entities with a mixed consortium under the Employment Act (European Commission, 2012; 435/2004 Coll ACT dated 13<sup>th</sup> May 2004 on Employment). In Hungary, the central direction of employment may delegate responsibility to private companies and the third sector to deliver services under the Hungarian Labour Code (Hungarian Act I of 2012 on the Labour Code, Section 207, and Subsection 4, adopted by Parliament on 13 December 2011). In Poland, unless otherwise stated through legislation, the central direction and specialised units (European Commission, 2012) may delegate responsibilities in cooperation for welfare provision and service delivery to temporary employment agencies which are entrepreneurs under the Freedom of Economic Activity Act (Poland Act of 20 April 2004 on Employment Promotion and Labour Market Institutions). The hope seems to have been that local units of

government would attain the political painful selective targeting required, even though the implementation of this service is difficult to manage in the worsening economic situation and the principal agents’ conflict of interest. Also, in the Czech Republic, responsibility for employment-related case management, to enable the third national transition to work, was transferred to employers (435/2004 Coll. ACT of 13 May 2004 on employment).

Even although some of the responsibility transferred to private firms is partly due to fiscal burden, some of the contracted out services and some private enterprises are difficult to manage given the heavy burden of administration and management of these private economic operators and the fact that human nature tends to pursue self-interest. Moreover, certain local units of government in “post-communist” CEE transitional economies have failed or are ill equipped to manage and administer huge sums of taxpayer’s money in contracting out welfare. These eventualities also impact third-country nationals and disadvantage ethnic minorities groups’ transition to work. Within this context, a rigorous policy study to improve contracting out is imperative in the selected entities. The main aim of this policy paper is to fill this gap by improving the overall principal-agent relation in contracting out which also impacts third country nationals’ transition to work in the Czech Republic, Poland and Hungary. The next section concerns the policy options to derive recommendations for policy improvement.

## **Need For a Broader Principal-Agency Framework**

The type of data source for this policy analyst paper includes a variety of initial and secondary sources. The primary data and information results are partly from my own research through document analysis. The secondary data or information comes from the research and writings from other scholars in the field of (corporate) governance. This demonstrates the depth and nature of the current research. Thus, as public policy involves a variety of stakeholders, the selection criteria include government (employment) legislation and policy statements, government reports, NGOs reports, other policy studies, academic journals, and conference papers. These considerations, geographical focus, type of data available and audience drives the data selection choice and sources in this policy research paper.

The principal-agency agreement is the main component of this framework. The principal-agency model and its application to analyse principal-agency relations is in the realm of multilevel governance in terms of agencies’ respective roles and responsibilities to enhance good governance. The key features of principal-agents relationship issues that are covered include:

- I. Open access to information to enhance transparency (freedom of information);
- II. Improvement of government officials’ skills and capacity to prevent conflict of interest; and

### III. Restrictive accountability and ethical standard in public business

Without open information, there is no transparency. Without transparency people behave unethically. With open information, transparency and ethical behaviour, there is an increasing tendency for good management and leadership to administer public funds equitable for public benefits that will eventually encourage prosperity and a social cohesive society with respect, dignity, and economic prosperity.

### **Open Access to Information to Enhance Transparency**

---

While budgetary constraint is clearly desirable from the central government for a market efficiency perspective, government provision of assistance should not be seen as a compressible part of the national budget, as it is in some countries. Many of the services provided by sub-units of governments are essential to political mobilisation and economic development. Several local units of government cannot provide and manage these services at an adequate level from their own administrative resources alone. Even from a short-run contracting out perspective, cutting targeting government provision of assistance may be inadvisable. A reduced size of government may cope with budgetary constraints by using such new governance of contracting out for welfare to review and change the service delivery mechanism. At the same time, in some countries' local units of government's responsibility for contracting out employment in public assistance may result in reduced trust in the government and public sector performance. The only way to keep down such a presumably undesirable development in the coming years in the Czech Republic, Hungary and Poland is likely to be to maintain some openness in the information flow and adjustment in contracting habits required to make sure that taxpayers get the best deal.

### **Improvement of Government Officials' Skills and Capacity to Prevent Conflict of Interest**

---

Direct control over civil service professional capacity and performance improvement to adapt to the rational new environment is one of the ways for the central government to ensure that local units of government do not create a burden on the taxman. Such a set of skills and competences are resourceful for bureaucrats to facilitate a problem-solving and effective policy-making and implementation process (Thijs et al., 217: 38). Provision of this kind may make sense in times of budget constraint, but the combination of direct controls and soft budget constraints in contracting out governance may create complex outcomes. In response to an apparent rule for the selection of civil servants in the Czech Republic, for instance, the influence of ministers in the selection remain undiminished and the risk of civil servant

politicisation (Frank, 201.: 5) may create a barrier for independent experts to enter the civil service and thus hamper civil service professionalisation (ibid). However, since the Czech Republic, Hungary and Poland’s governments have failed to invest in the right people with the right (commercial) skills that are essential to meet the goals of contracting out and, the capacity by definition, must contain effective and precise specifications of administrators to decide what it is that the public agency is buying. Budget constraints or targeting the civil service will not eliminate incapacity or insufficiency. Moreover, even although contracting out can bring benefits to both citizens and to the taxpayer, the benefits depend crucially on the government’s capacity to manage contracts well. In this environment, a simple selection of local units of government officials without reliable capacity to sustain public finance and enable the reduction of exclusion is not sufficient.

## **Restricting Accountability and Ethical Standards in Public Buisness**

---

A good case can be made to institutionalise transparency and accountability mechanisms. This enables checks and balances such as by the audit office, control/overseeing/watchdog bodies, external scrutiny, ombudsman, and their external functionality (Thijs 2017: 38–39). A striking feature of the current arrangement for contracting out governance in some countries, however, is the virtually restricted legal access to government information by citizens/public and transparency perception to corruption (such as a whistle blowing mechanism) which impact administrative capacity. In Hungary, for instance, the Law grants a restriction of government information that is clearly less accessible to the public (Schraad-Tischler et al., 2018). In the Czech Republic, for example, the Law on the Act on Public Contracts limits the implementation of country specific contracting out recommendations which frequently use negotiated procedures without publication of a tender notice thereby reducing competition and providing substantial discretion for contracting authorities (435/2004 Coll. ACT of 13 May 2004 on employment; Act on Public Contracts No. 55/2012 Coll, Article 62(3); European Commission, 2019). With regard to the transparency perception of corruption, the Czech Republic, Hungary, and Poland need further policies and measures to tackle corruption (Thijs et al., 2017). Most of the transition governments have introduced some transparency law against corruption. In the Czech Republic, Hungary and Poland, for example, the transparency Amendment Act fights corruption. However, its effectiveness is limited because of information asymmetry which influences the formulation and implementation of a transparency policy for public contracts (Kameník, 2011: 6)

In the past command economy period of the Czech Republic, Poland, and Hungary, sub-national government’s control was determined by the central government. Under the current circumstances, however, these countries’ local units of government employment service are contracting out for employment case man-

agement to private enterprise activities. Restricting transparency and inaccurate accountability may limit accuracy and effective management. The lack of transparency and information asymmetry in many transition economies makes the need to access reliable and relevant information to manage and administer contracting out corporate governance difficult. The actors involved are mostly private companies (see Table 4). The outcome may exclude community-based organisation where some of the members are welfare beneficiaries. In addition, they are hampered by their language inability to draft a project for public calls. The involvement of private companies shows the enabling of state strategy from state to market even although private companies are profit orientated and may not provide information about their real intentions. This makes the restrictive institutional ramifications and the agency's opportunistic behaviour in contracting out governance, seem wholly undesirable. Besides, this shows the unethical standards in the conduct of public business. Moreover, legislation has to enable whistleblowers to report fraudulent behaviour, but its implementation has been unsatisfactory and whistleblowers are not fully protected after the disclosure of such misconduct.

In other words, each of the above can be seen as a prerequisite in contracting out case management in a way that best serves taxpayers' money and protects inclusion. If information is disclosed and transparent, there is a possibility that diverse contractors will participate and share the burden. Without open information, there is limited assurance that taxpayers' voices are heard or that the most favourable terms for the implementation of employment services are available to the disadvantaged. Similarly, without transparency and accountability there is a strong possibility of corruption and distrust with selectivity in the process to find new contractors. Moreover, without transparency, most people are excluded from the contracting process, and they are mostly people from the minority group with multiple disadvantages. In this case, the bigger picture and potential benefit of critical thinking, evaluation and expertise are blurred and under-represented.

## **Conclusion and Recommendations**

---

In this policy study, the Czech Republic, Hungary and Poland public policy measures with regard to contracting out governance is marked by weakness. A substantial part of contracting out employment services is exempt from open information. Contracts are often treated as a secret with negotiations and asymmetry information, and unsatisfactory transparency and accountability to manage taxpayers' money with ethical standards. Under these circumstances, distrust prevails in contracting out corporate governance and the core idea of sustainable public finance, societal participation and reduction of exclusion is blurred.

As a matter of fact, the research recommends the following reforms in this area for improvement:

- 1) Employment case management contracts should be subject to freedom of information and access to relevant information should be made available to the public.
- 2) Cooperation and openness needs to be sustained and applied to all private contractors that provide public services.
- 3) Community-based organisations should be provided with language courses and training to draft contracts as well as nationals to act as secretaries to help them draft a concept in the national language and break barriers to offer tenders for fair competition.
- 4) Local government unit’s professional capacities and skills should include a commitment to cut government spending in consulting and reinvest taxpayers’ money to rebuild public services capability with permanent jobs and increased staffing. This is good news for democracy – less corporate interest and more frank and fearless advice to government.
- 5) Ethical standards in public business includes (a) standardise open-book accounting provisions, (b) data information that is focused, proportionate, and relevant to the process, (c) requirement for reports’ disclosure and complaints by contractors, (d) legislation that nominates and protects whistleblowers in public or a contracting department to expose fraudulent behaviour and (e) legislation should set specific ethics which include honesty, integrity, and fairness in the treatment of service users and employees.

In conclusion, local units of government activities in contracting out governance are decisive, not only in the management and administration of taxpayers’ money, which regulates fiscal imbalances and adjusts budgetary deficits, but also reduces private activities that impact third country immigrants and ethnic-minorities citizens’ transition to work through work protection for an aesthetic inclusive society. Not meeting these goals might be devastating to the people, society and the economy in a global competitive market.

## **Acknowledgement**

---

This policy paper was presented at the NISPAcee 27<sup>th</sup> Annually Public Administration and Policy Conference, Prague, 24–27 May 2019. I am grateful to the keen editorial eye of the editor of the *Monograph – Policy Papers* who improved many passages. “The work on this article has been supported by the Charles University Specific Academic Research Projects Competition (project No. 260462)”

## References

- Berle, A. & Means, G., 1932. *The modern corporation and private property*. New York: Macmillan.
- Butt, H. & Palmer, B., 1985. *Value for Money in Public Sector*. Blackwell: Oxford.
- Council of Europe., 2019. *Publication: Glossary of Terms*. Available at: <https://unrr.cz/en/budgets-under-scrutiny/> last accessed 02 08 2019.
- Domberger, P. & Jensen, S., 1997. Contracting out by Public Sector: Theory, Evidence, Prospects.. *Oxford Review of Economic Policy*, 13(4), pp.67–87.
- European, C., 2012. *Forms of contracting arrangements between employment services. Small Scale Study*, Brussels: European Commission.
- European, C., 2019. *European Commission – Regional Policies*. Available at: [https://ec.europa.eu/regional\\_policy/en/policy/how/improving-investment/public-procurement/study/](https://ec.europa.eu/regional_policy/en/policy/how/improving-investment/public-procurement/study/) last accessed 14 05 2019.
- European, C., 2019. *European Commission – Migration and Home Affairs*. Available at: [https://ec.europa.eu/home-affairs/content/third-country-national\\_en](https://ec.europa.eu/home-affairs/content/third-country-national_en) last accessed 08 04 2019.
- European C., 2019. *Welcome to the GRECO website*. Available at: [http://www.coe.int/t/dghl/monitoring/greco/evaluations/round2/GrecoEval2%282005%297-CzechRepublic\\_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/evaluations/round2/GrecoEval2%282005%297-CzechRepublic_EN.pdf) last accessed 14 05 2019.
- Eurostat, 2018. *General government gross debt – quarterly data*. Available at: <https://ec.europa.eu/eurostat/tgm/table.do;jsessionid=VQW-c2HP-p5vdCwFUUNKAdp2AUe3i3admshCeWmRGXv0MAGIpqdyx-!482408900?tab=table&plugin=1&language=en&pcode=teina230> last accessed 19 07 2019.
- Eurostat, 2019. *Public balance and general government debt, 2015–2018*. Available at: [https://ec.europa.eu/eurostat/statistics-explained/images/9/9d/Public\\_balance\\_and\\_general\\_government\\_debt%2C\\_2015-2018\\_%28%C2%B9%29\\_%28%25\\_of\\_GDP%29\\_2019-04-23.png](https://ec.europa.eu/eurostat/statistics-explained/images/9/9d/Public_balance_and_general_government_debt%2C_2015-2018_%28%C2%B9%29_%28%25_of_GDP%29_2019-04-23.png) last accessed 15 07 2019.
- Frank, B., 2019. *Frank Bold Society*. Available at: [https://en.frankbold.org/sites/default/files/tema/briefing-civil\\_service\\_act-2015-10-09\\_0.pdf](https://en.frankbold.org/sites/default/files/tema/briefing-civil_service_act-2015-10-09_0.pdf) last accessed 19 06 2019.

- Gesine, S., 2016. *Public or private job placement services – Are private ones more effective?*, Bonn: Institute of Labor Economics – IZA.
- Kamenik, M., 2011. *Transparency of the Public Procurement System in The Czech Republic*, Prague: Oziveni, o.s.
- Neil, G., 2004. *Transformation of the Welfare State: The Silent Surrender of Public Responsibility*. New York: Oxford University Press.
- Petersen, O. H., Hjelmar, U. & Vrangbaek, K., 2018. Is contracting out of public services still the great panacea? A systematic review of studies on economic and quality effects from 2000–2014. *Social Policy and Administration*, 52(1), pp. 130–157.
- Schraad-Tischler, D., Schiller, C., Hellmann, T. & Lopes, F. E., 2018. *Policy Performance and Governance Capacities in the OECD and EU: Sustainable Governance Indicators 2018*, Gütersloh – Germany: BertelsmannStiftung.
- Thijs, N., Hammerschmid, G. & Palaric, E., 2017. *A comparative overview of public administration characteristics and performance in EU28*, Brussels: Publication Office of the European Union.
- Trading, E., 2019. *Czech Republic Government Debt to GDP*. Available at: <https://tradingeconomics.com/czech-republic/government-debt-to-gdp> last accessed 2019 04 14.

## Legal Document

### *Czech Republic*

- 435/2004 Coll. ACT of 13 May 2004 on employment, Available at [https://portal.mpsv.cz/sz/obecne/prav\\_predpisy/akt\\_zneni/act\\_no.435\\_2004\\_coll.1.1.2018.pdf](https://portal.mpsv.cz/sz/obecne/prav_predpisy/akt_zneni/act_no.435_2004_coll.1.1.2018.pdf) last accessed 14.07.2019.
- Act on Public Contracts No. 55/2012 Coll, Article 62(3), Available at [http://sovz.cz/wp-content/uploads/2017/08/act-no.-134\\_2016-coll.-on-public-procurement.pdf](http://sovz.cz/wp-content/uploads/2017/08/act-no.-134_2016-coll.-on-public-procurement.pdf) (last accessed 10.06.2019).
- Labour Code (full translation) No. 262/2006 Coll., as amended “Zákoník práce”. Available at [https://www.mpsv.cz/files/clanky/3221/Labour\\_Code\\_2012.pdf](https://www.mpsv.cz/files/clanky/3221/Labour_Code_2012.pdf) last accessed 10.07.2019.

### *Hungary*

- Hungarian Act I of 2012 on the Labor Code, adopted by Parliament on 13 December 2011. Available at <http://www.ilo.org/dyn/travail/docs/2557/Labour%20Code.pdf> last accessed 04.05.2019.

Act CXLIII of 2015 on Public Procurement adopted by the Parliament at its meeting of 22 September 2015. Available at <https://www.procurementinet.org/wp-content/uploads/2017/02/Public-Procurement-Act-Hungary.pdf> last accessed 17.07.2019.

*Poland*

Polish National Action Plan for the Implementation of the United Nations Guiding Principles on Business and Human Rights 2017–2020, Adopted by the Council of Ministers on 29 May 2017. Available at [https://www.ohchr.org/Documents/Issues/Business/NationalPlans/PolandNationalPlan\\_BHR.pdf](https://www.ohchr.org/Documents/Issues/Business/NationalPlans/PolandNationalPlan_BHR.pdf) last accessed 29.05.2019.

Sporniak-Czerkas and Setkowicz-Ryszka (n.d.). Translated version of Poland Act of 20 April 2004 on Employment Promotion and Labour Market Institutions, Act of 20 April 2004 on Employment Promotion and Labour Market Institutions.

## Appendix

**Table 1**  
Government debt of selected transitional countries relative to their GDP,  
2015–2018

State	Government debt relative to GDP (in %, data)			
	2015	2016	2017	2018
Czech Republic	39,955	36,806	34,633	32,958
Hungary	76,607	75,864	73,251	69,393
Poland	51,283	54,277	50,569	48,363
Average EU-28				80,001

Source: The Czech Fiscal Council, 2019; Eurostat, 2018)

**Table 2**  
Trust in government (respondents who tend to trust the government in %)

Country	Trust in Government	
	2010	2016
Czech Republic	31	28
Hungary	40	30
Poland	28	21

Source: Eurobarometer, seen in European Commission, 2017

**Table 3**  
Government debt of selected transitional countries relative to their GDP,  
2015–2018

State	Government debt relative to GDP (in %, data)			
	2015	2016	2017	2018
Czech Republic	39,955	36,806	34,633	32,958
Hungary	76,607	75,864	73,251	69,393
Poland	51,283	54,277	50,569	48,363
Average EU-28				80,001

Source: The Czech Fiscal Council, 2019; Eurostat, 2018)

**Table 4**  
Types of provider and the administrative level of responsibility

PES	Type of provider				
	Private companies	Third sector	Other public	Mixed consortium	Total
Czech Republic	7		1	1	9
Hungary	5	4			9
Poland	3				3

Source: Survey on contracting out by PES, DG-Employment (June 2012), seen in EC 2012



# Improving Public Services in the Post-Soviet Settings: The Potential for Optimisation of Public Services in Kazakhstan

---

*Bakhytzhan Kurmanov<sup>1</sup>*

## Abstract

In recent years, optimisation of public services such as the New Public Management (NPM) reform has been actively promoted in the Post-Soviet region. Some post-soviet countries such as Kazakhstan, Georgia and Azerbaijan decided to adopt Western best practices and to introduce one-stop-shops, e-government and open government initiatives. The Kazakh Government introduced a law on public services in 2013–14 and aimed at streamlining all public services with its delivery through local state bodies, one-stop-shops and e-government portal. Most of such public service optimisation initiatives were implemented through a top-down approach where a centralised government agency would impose reform without much consideration of local authorities. Despite all the public sector reforms, Kazakhstan's low standing in global rankings in education and health has uncovered the problem of the low quality of public services.

Hence, this policy paper has investigated this problem of low quality of public service delivery in Kazakhstan. Three root causes have been uncovered such as the narrow and bureaucratic concept of public services, overtly centralised delivery of public services and shifting responsibilities over public services. This policy paper analyses three policy recommendations such as status quo, devolution of functions to local level and the conducting of Business Process Reengineering (BPR) of public services at local level. The BPR of public services, with input from local executive bodies and citizens, would resolve the problem of bureaucratic fragmentation and shifting responsibilities while creating an opportunity for co-production. Therefore, the BPR is identified as the best policy recommendation for Kazakhstan to pursue to improve the quality of public services and to achieve its goal of becoming one of the top 30 developed countries by the year 2050.

---

<sup>1</sup> Graduate School of Public Policy, Nazarbayev University, Kazakhstan.

The methodology of this policy paper consists of a literature review and a direct observation method (informal consultations with experts, public servants and bloggers). However, this study has several limitations. The author could not afford to conduct a more comprehensive field or survey due to limited resources and time. Moreover, the dearth of prior research on this issue restricted possible findings. Nevertheless, the authors believe that the policy solutions proposed in this memo will help the radical rethinking of Public Services that will lead to a Better Government for all Kazakhstanis.

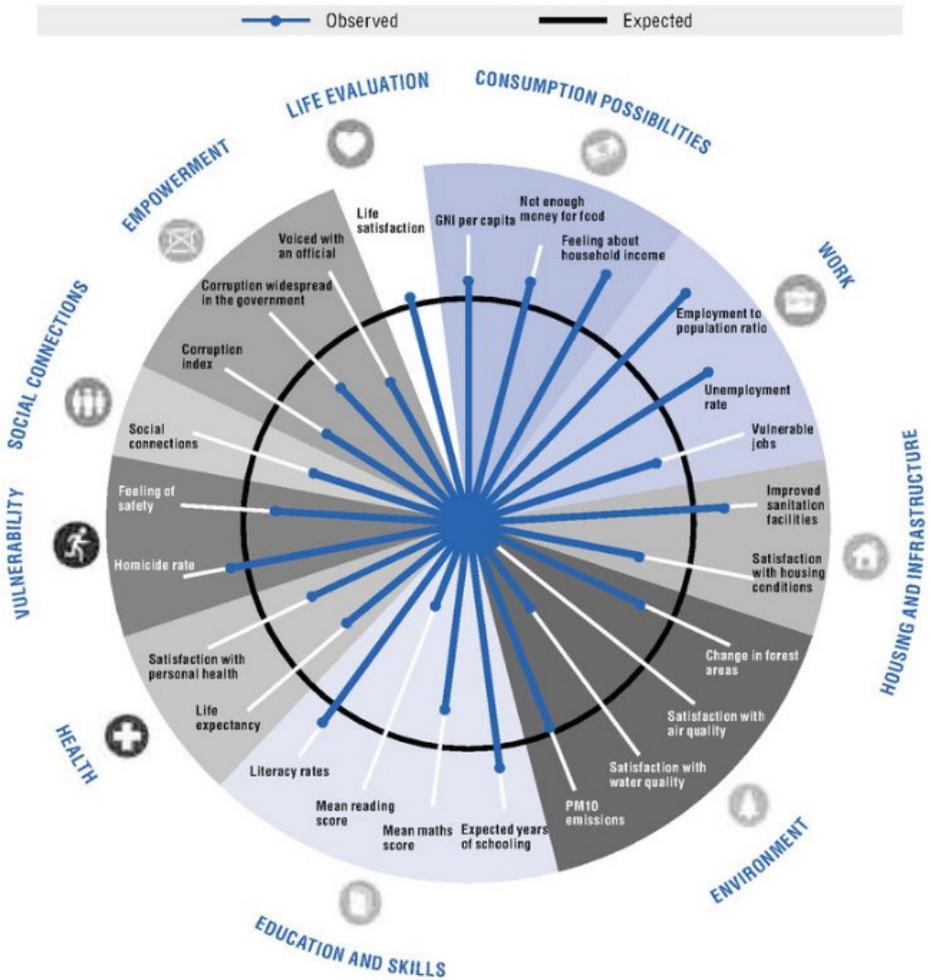
## Goal

---

Kazakhstan, a post-communist transition country that has gained independence in 1991, has always been considered a pioneer of public administration reforms, not only in Central Asia, but also in the CIS region (Knox 2008, Ibrayeva & Nezhnina 2013). The introduction of the New Public Management ideology promoted by international donors and consultants has been endorsed by the country’s leadership. Amagoh (2011) asserted that Kazakhstan drastically adopted the NPM approach in healthcare that showed the focus of Kazakhstani leadership on client focus, quality and results-orientation. Various reforms, such as one-stop-shops and e-government, were introduced to improve the quality of public services in the country. Furthermore, Kazakhstan has an ambitious goal to join the top 30 most developed countries in the world by 2050 according to the national strategy of development Kazakhstan 2050.

The country aims to be a member of the OECD. This, in turn, means that Kazakhstan needs to improve the quality of life to the level of living standards in developed countries. However, this seems to be problematic, considering the differences in the performance of public services of Kazakhstan and OECD countries. As was mentioned by Knox (2017), public services in OECD countries are considered as a means of improving the quality of life, whereas the Kazakhstani determination of public services is rather simplistic and bureaucratic. The Framework for Measuring Well-Being and Progress in OECD countries measures the quality of life, assessing several dimensions, such as health status, work-life balance, education and skills, social connections, environmental quality etc. (OECD, 2017). From the perspective of the OECD framework, Kazakhstan’s public services are low quality in terms of ensuring citizens’ well-being (Figure 1). The goal of this paper is to analyse the problem of low-quality public services in Kazakhstan.

**Figure 1**  
Kazakhstan compared to the OECD indicators



Source: OECD, 2016, 44.

Considering the aforementioned, it seems obvious that Kazakhstan's public services underperform and are not sufficiently efficient to provide quality public services. According to an OECD (2016) report, Kazakhstan achieved some good input-oriented results in health, education and housing, but the country's outcomes are not satisfactory in terms of assessing the effectiveness and quality. For example, Kazakhstan has a good level of literacy and number of years in education, but the quality of education is far less than the expected benchmark for the indicators, such

as mean reading and math scores (Figure 1). Moreover, a 2013 survey suggests only about 50 per cent of respondents are satisfied with Kazakhstan’s education system (OECD, 2016). This result is considerably less than the OECD average (ibid). The quality of health is also not reaching the desired outcomes, considering satisfaction with personal health and life expectancy (Figure 1). Although 70 per cent of citizens stated that they had good health in 2012, it is still below the benchmark countries’ level, which is more than 80 per cent (OECD, 2016).

Specifically, this paper will concentrate on the delivery of public services at local level because Kazakhstan is a highly centralised country with weak representative institutions at local level (maslikhats). At the local level, the Law on Local Public Administration in Kazakhstan granted the most power to regional governments i.e. oblasts, akims (regional governors) were established as the most powerful bodies in their region. Maslikhat (regional elected assemblies) were established that would make akims accountable to them. In reality, akims would proceed with their policies and would depend on their loyalty to the political centre, Astana, rather than maslikhat (Bhuiyan 2010). This enforced and cemented strong state centralisation in Kazakhstan, which does not allow local bodies to be active in design and delivery public services. Thus, it is extremely important to concentrate on public service delivery at local level when dealing with the problem of low-quality of public service in Kazakhstan.

## **Target Group**

---

This policy paper has generated policy alternatives and recommendations for practitioners involved in the optimisation of public services in transition countries. This paper can serve as important discussion material for Kazakhstani policy-makers and officials involved in the delivery and design of public services. Specifically, this policy paper will be useful for local executive bodies and non-governmental organisations at local level which pursue the modernisation and optimisation of public services. This paper will be particularly useful for development experts and officials from international organisations involved in the design of public sector reforms and capacity building programmes for public officials.

## **Policy Aims**

---

This policy memo has investigated in-depth the problem of low quality public service delivery in Kazakhstan. Three policy alternatives have been discussed, such as (1) maintaining the status quo, (2) devolution of public services to the local level and (3) business process re-engineering with enhanced citizen engagement and more input from local executive bodies (3). Finally, this paper, after applying three criteria, has chosen a policy recommendation of business process re-engineering of

public services. Implementing this recommendation would require state bodies to introduce a legislative mechanism that would facilitate direct citizen input into public service design at local level. Another important aim is to allow local executive bodies to make changes to standards and regulations of public services after such services are re-engineered at local level with citizen input. The final practical aspect of this recommendation is to provide training to officials at local level and motivate them to re-engineer public services.

## **Background Information: Public Service Regulation in Kazakhstan**

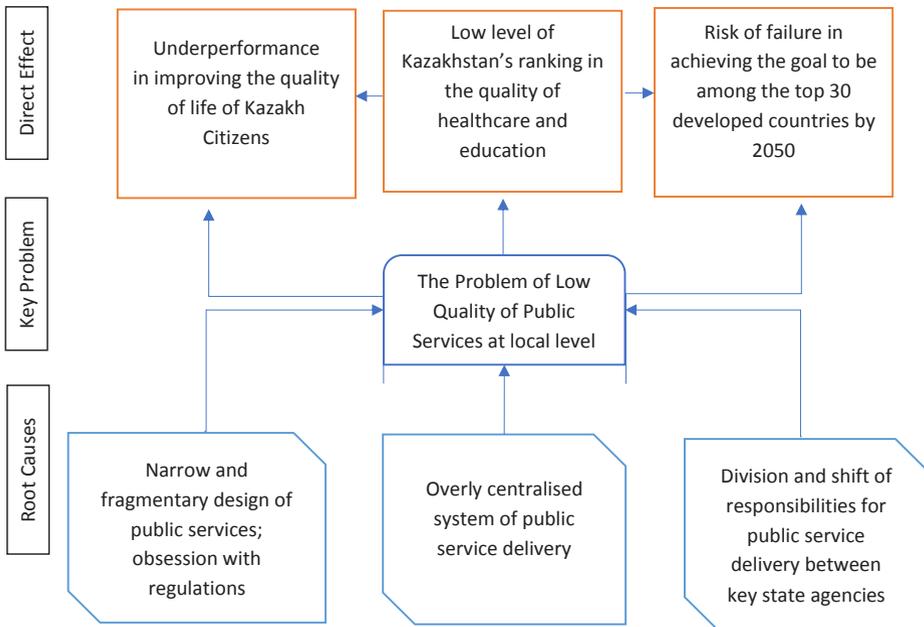
---

The process of public service development in Kazakhstan could be broadly divided into three stages. The first stage was the introduction of one-stop-shops. In 2005, the President of the Republic of Kazakhstan initiated the creation of public service one-stop-shops that would facilitate and increase the quality of public service delivery. Moreover, public service centres or one-stop-shops were also introduced as a means of corruption control (Janenova and Kim, 2016; Sheryazdanova and Butterfield, 2017). Another rationale was to create “a more business-like atmosphere” in processing requests from citizens (Janenova and Kim, 2016, 323). The second stage was the adoption of the Law “On Public Services” in 2013 that formed the legal framework for the provision of public services and introduced regulations and standards for state services, according to which public services should be delivered. As of today, there are over 800 services officially listed in the *Register of the Public Services* (Law ‘On Public Services, 2013). Most importantly, the Law has defined that the regulation and standards for public services are designed and/or approved by central executive bodies and the Ministry of National Economy. The third stage is the establishment of the State Corporation Government for Citizens in 2015. 100<sup>th</sup> step of the Nation Plan – 100 Concrete Steps outlined the creation of a separate public organisation which would be a single provider of public services. The Government for Citizens was created through the reorganisation of several quasi-governmental organisations responsible for different public services, including one-stop-shops and “e-government” (State Corporation, 2017).

Based on the above, this paper identifies three major root causes of the problem. First, most of the adopted measures have contributed to centralisation of the delivery of public services. The design and delivery of public services are determined by its standards and regulations, which are developed and approved by state bodies. Almost 75 % of all public services are determined by the Central state bodies (ministries) whilst only 25 % of public services are designed by local bodies (but local bodies still have to approve them with central bodies). Second, the recent wave of bureaucratisation caused by the Law on Public Services led to the increase in the number of fragmentary public services. Therefore, due to the Soviet bureaucratic legacy, the state bodies have divided public services into numerous separate activ-

ities (or functions) that cannot encompass the true essence of delivered services. In Kazakhstan, the improvement of public services is perceived as the process for bringing changes to the standards and regulations and introducing new legislation. Finally, numerous state bodies are responsible for the delivery of public services, while local executive bodies have a limited role in its design and implementation. As a result, one can observe shifting responsibilities and divisions between state bodies. This in turn causes the low quality of public service delivery in Kazakhstan.

**Figure 2**  
The Map of the Problem



To summarise, Kazakhstan faces a problem of low quality public services, resulting in negative consequences (Figure 2). It leads to the low quality of education and healthcare which is essential in ensuring the well-being of citizens. As a result, there is underperformance in improving the quality of life. This can threaten Kazakhstan’s goal of joining the top 30 developed countries.

### Policy Alternatives

This paper will suggest three major policy alternatives for the optimisation of public services. The first obvious policy alternative is to maintain the status quo which

implies that the central state bodies will continue to define and design standards and regulations for most public services, with little consultation between citizens and local executive bodies. Thus, Kazakh authorities will continue to exercise centralised bureaucratic control over public services, which will not necessarily lead to higher satisfaction of citizens with the quality of public services. The second alternative is devolution and transfer of critical public services to local level. This implies that the state would also provide financial resources to local executive bodies to design and deliver public services.

The third alternative is to introduce business process re-engineering at local level on a massive scale, while engaging citizens and allowing local executive bodies to have direct input into the regulations and standards of public services. Business process re-engineering (BPR) of public services originated from the private sector's practices. Business process re-engineering is based on the concept of lean management which came from the Toyota Motor Corporation for the manufacture of cars as a radical alternative to the traditional method of mass production and combining various principles for optimal efficiency, quality, speed and cost (Holweg, 2007). The BPR process is achieved through forms of problem-solving and change management, often through re-drawing activities that add value, whilst eliminating those that do not (Womack & Jones, 1996; Radnor & Osborne, 2013). Thus, the major goal of the BPR is to eliminate activities or processes that do not generate value, whilst preserving those that are most meaningful. With the adoption of the NPM and focuses on clients, the BPR technique was a critical tool in transforming public services to serve the needs of clients. It has been implemented across various public services and numerous countries (Radnor & Osborne, 2013).

The five most important criteria to choose a policy alternative are effectiveness, economic efficiency, political acceptability, equity and robustness. Effectiveness will determine if the policy alternative helps to achieve its goal of Kazakhstan entering the top 30 developed countries by providing high-quality public services. Economic efficiency will determine which alternative delivers the best value for money, economically feasible and has less corruption risks. Political acceptability will ensure that a chosen policy alternative would be acceptable for major stakeholders. Equity refers to the distribution of goods and services among individual members or sub-groups of a society.

**Figure 3**  
Analysis of three policy alternatives

	<b>Policy #1. Status Quo.</b>	<b>Policy #2. Devolution and transfer of public services to local level.</b>	<b>Policy #3. Business Process Reengineering of public services with enhanced citizen engagement and input from local executive bodies.</b>
<b>Effectiveness</b>	LOW. Current centralisation of public services and its bureaucratisation leads to low level of quality and poor outcomes for the citizens of Kazakhstan.	MID. Some devolution of public services can potentially improve oversight at public services. However, it is not evident that local bodies have sufficient resources and expertise to deliver public services.	HIGH. This policy alternative effectively preserves the infrastructure of public services whilst providing inputs from citizens and local executive bodies.
<b>Economic Efficiency (incl. Corruption Risks)</b>	MID. Currently, public services are provided at the average level of economic efficiency while corruption risks are being constrained by the one-stop-shops and e-government infrastructure.	LOW. Corruption and the low level of transparency can lead to deficient delivery of public services (risk of decentralised corruption). Negative Impact of rent-seeking activity of public officials at local level.	MID. Additional costs will be required to begin a massive optimisation of public services.
<b>Political Acceptability &amp; Equity</b>	MID. Status Quo allows for state officials to control and manage public services whilst preserving equity through unified bureaucratic standards.	LOW. The devolution led to centre-local power conflicts. Furthermore, the unequal distribution of resources might lead to unequal standards of public services across the large territory of Kazakhstan.	HIGH. Preservation of the status of central state bodies will be politically acceptable. Furthermore, equity would increase through more input from citizens and local state bodies and increased accountability.

The status quo policy alternative ranks low for effectiveness whilst being mid-level for economic efficiency and political acceptability. The preservation of the current policy will not resolve the cause of bureaucratisation and overly centralisation of public services delivery. The second policy option (devolution and transfer of public services to local level) in the Kazakhstani institutional settings may lead to unsatisfactory results. This option ranks low for both economic efficien-

cy and political acceptability, which reflects the nature of the Kazakhstani state as a fragile transit state with high risks for decentralised corruption and unequal distribution of public services. Finally, the third policy alternative, which is Business Process Re-engineering of public services with enhanced citizen engagement and input from local executive bodies, scores well on all three criteria. This reflects that this policy alternative does not attempt to distort the current political system, while it has potential to significantly improve outcomes for the citizens of Kazakhstan.

## **Stakeholder Analysis**

The delivery and design of public services has become increasingly complex in recent years (Figure 4). The creation of Government for Citizens has caused some confusion with regard to the responsibilities for public service delivery between various state bodies. The Ministry of National Economy is responsible for the overall coordination and approval of standards and regulations of public services, whereas the Agency for Civil Service is mainly responsible for the control and dealing with complaints re public services. The Government for Citizens is a major front office but most of its public services are delivered in back offices (various state bodies). This complex management and the lack of unified state bodies have exacerbated the coordination problem of various public services. Furthermore, this creates a situation of shifting the blame amongst public officials and especially between the Ministry of National Economy and Agency for Civil Services who are both central bodies for public service delivery.

**Figure 4**  
Key Stakeholders in the Delivery of Public Services in Kazakhstan

Key players/stakeholders	Role in Public Service Design and Delivery
Local executive bodies	<ul style="list-style-type: none"> <li>Development of recommendations and proposals to standards and procedures of public services that are locally delivered</li> </ul>
Ministry of National Economy	<ul style="list-style-type: none"> <li>Central coordinating agency for delivery of public services</li> <li>Support and adjustment of recommendations and proposals to standards and procedures of public services</li> </ul>
President’s Administration (Assessment System of Efficiency of state bodies)	<ul style="list-style-type: none"> <li>Monitoring of implementation of recommendations and proposal for public services that underwent BPR and optimization</li> <li>Assessment of violations and satisfactions with public services</li> </ul>
Ministries and agencies	<ul style="list-style-type: none"> <li>Implementation and introduction of necessary changes to the standards for public services, laws and codes.</li> <li>Back office for most of public services.</li> </ul>
Government for Citizens	<ul style="list-style-type: none"> <li>Direct Delivery of most of public services to citizens (Front Office)</li> </ul>
Citizens and representatives of business community	<ul style="list-style-type: none"> <li>Provision of critical feedback and input on the delivery of public services</li> </ul>
Agency of Civil Service	<ul style="list-style-type: none"> <li>Control over the quality and violations related to the delivery of public services; complaints of citizens with services.</li> </ul>
Ministry of Information and Communications, ZERDE	<ul style="list-style-type: none"> <li>Promotion and provision of IT support to the optimization and introduction of electronic public services</li> </ul>

Local executive bodies (akimats) have less influence in policy design as they can only provide recommendations and proposals to standards and procedures of public services. They can suggest recommendations which central state bodies are not obliged to adopt. Meanwhile, local representative councils (maslikhats) do not have any official functions to provide input to public services design and delivery. Furthermore, there is no legal mechanism or input from citizens and the business community to provide input into public service design and delivery. Hence, the design and delivery of public services in Kazakhstan is over reliant on the coordination between central state bodies, whilst little attention is given to the input from local executive bodies, local representative bodies and citizens. It is confusing and cumbersome to integrate and improve the quality of public services within such a complex structure. The stakeholder analysis has revealed that the current system of design and delivery of public services dissolves responsibility between central state bodies and ignores the input from local state bodies and citizens.

## **Consultation & BPR Potential in Kazakhstan**

---

An important aspect of business process reengineering (BPR) is that it seeks to streamline processes for clients. With regard to public services, BPR implies the involvement of citizens and frontline officials in the redesign of public services. The BPR can serve as a tool for collaboration and it can offer ways for co-production. The BPR of public services was conducted through the support of the European Union Kazakhstan Regional Development project. During the project, public servants of oblast' level executive bodies were trained to re-engineer and optimise public service business processes between 2015 and 2017. The project proved successful in implementing optimisation of public services through active consultation and engagement of officials.

One important feature of the BPR is that it can be used in both top-down and bottom-up settings (Hammer & Champy, 1993; Weerakkody & Hinton, 1999). In essence, many of the advocates of BPR have agreed that in order to maintain breakthroughs or transformational type change, organisations must take a radical approach when tackling change (e.g. Champy, 2002; Hammer & Champy, 1993). Hence, the BPR can be used as an effective tool in the Kazakhstan institutional settings of highly rigid bureaucratic structure. BPR, through its flexibility and ability to be used in different settings, can be used highly effectively to avoid the problem of reform decoupling. Decoupling inherently implies that the limited political will or limited capacity and gap between reform and the country's settings lead eventually to reform mimicry (Meyer & Rowan 1997, Krause 2013). Di Maggio and Powell (1983) noted that organisations adopt the required form and legitimisation with the need to ensure the flow of resources. Hence, BPR allows the political structure to proceed with the optimisation of reforms and to actively engage citizens whilst preserving its legitimacy and resources.

## **Policy Recommendation**

---

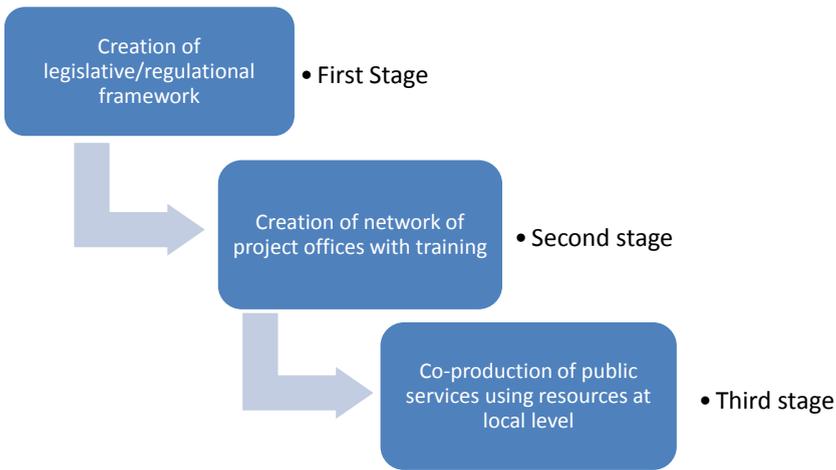
The chosen policy recommendation (BPR of public services with the inclusion of local executive bodies and citizens) would require three stages of implementation (Figure 5). The first stage is to provide a legislative framework to facilitate input from local executive bodies and citizens. For instance, the changes to the Law on Public services should be made to allow local executive bodies to provide recommendations to change all public services. If necessary, a special government decree or order of the President should allow a facilitated legal procedure to change standards and regulations of public services.

Second, a network of national project offices on BPR of public services should be established across the country. The offices would provide capacity building training and exercises for local officials to pursue BPR of public services. Furthermore,

the offices will also serve as the front office for optimisation of public services where trained experts, local officials and active citizens would work together.

Finally, once the legislative framework is established and the offices are operational, active citizens will be encouraged to provide input on the design and delivery of public services. Funding will be provided to local non-governmental organisations and self-help citizen groups to participate and collaborate in the process. Furthermore, the co-production of public services would be encouraged through the interaction between the network of project offices, local officials, citizens and non-governmental organisations.

**Figure 5**  
Implementation Stages of Recommended Policy Alternative



## Conclusion

This policy memo has examined the state of public services in Kazakhstan. The paper identified key stages of public service delivery. The paper has analysed three stages of the development of public services: introduction of one-stop-shops, adoption of the Law on Public services and establishment of the Government for Citizens. The paper has uncovered the issue of underperforming public services and its low quality in such areas as education and healthcare. Moreover, the consistent failure to considerably improve the quality of life is analysed. Three main root causes of the problem have been elaborated upon in the paper. Narrow and fragmentary design of public services, as well as obsession with regulations, is one of the root causes. Overtly centralised design and delivery of public services significantly limit the opportunity for its improvement. Finally, division and shift of responsibilities

for public service delivery between key state bodies is also a contributing factor to the low quality of public services. The paper has identified three policy solutions and has applied three major criteria to identify the best policy option.

The suggested policy recommendation of conducting Business Process Re-engineering of public services would resolve three identified root causes of the problem of the low quality of public services in Kazakhstan. First, BPR would resolve the fragmented and bureaucratic nature of public services by redesigning and optimising its regulations and standards. BPR will focus on the core activities of public services whilst getting rid of all unnecessary paperwork. Second, BPR with the input from local bodies and citizens would change the nature of centralised systems of public service delivery in Kazakhstan. Finally, the creation of a network of BPR offices across the country would help to unite the efforts of all state agencies in improving public service design and delivery in the country. The implementation of the recommendations would increase the quality of redefined public services. They would facilitate the achievement of the strategic goal of the country of joining the Top 30 developed countries by the year 2050. Most importantly, quality public services would improve the quality of life, resulting in citizens' satisfaction with the government, which is the vital criterion for sustainable development.

## References

---

- Amagoh, F. (2011). New Public Management and Health Reform in Kazakhstan, *International Journal of Public Administration*, 34 (9), 567–578.
- Bhuiyan, S. H. (2010). Decentralization and local governance in Kazakhstan. *International Journal of Public Administration*, 33(12–13), 658–672.
- Bhuiyan, S. H. (2011). “Trajectories of E-Government Implementation for Public Sector Service Delivery in Kazakhstan”, *International Journal of Public Administration*, 34:9, 605–615.
- Brinkerhoff, D. W., & Brinkerhoff, J. M. (2015). Public Sector Management Reform In Developing Countries: Perspectives Beyond NPM Orthodoxy. *Public Administration and Development*, 35, 222–237.
- Champy, J. (2002). *X-engineering the corporation: Reinventing your business in the digital age*. New York: Warner Business Books.
- DiMaggio, P. J. & Powell, W. W. (1983). The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields, *American Sociological Review*, 48, 147–60.
- eGov, (2017). e-Government in Kazakhstan: 11 years for the sake of citizens, retrieved from [http://egov.kz/cms/en/news/egov\\_11years](http://egov.kz/cms/en/news/egov_11years)

- Emrich-Bakenova, S. (2009). Trajectory of civil service development in Kazakhstan: Nexus of politics and administration, *Governance*, 22(4), 717–745.
- Frederickson, H. G., Smith, K., Larimer, C. and Licari, M. (2016). Public Institutional Theory. In *The Public Administration Theory Primer*. Third edition). Chapter 4 (66–94) Boulder; Westview Press.
- Fritz, R. L. & Vandermause, R. (2018). Data Collection via In-Depth Email Interviewing: Lessons From the Field. *Qualitative Health Research*, 28(10), 1640–1649. <https://ezproxy.nu.edu.kz:2364/10.1177/1049732316689067>
- Hammer, M., & Champy, J. (1993). *Re-engineering the cooperation: A manifesto for business revolutions*. New York: Harper Business.
- Holweg, M. (2007) The Genealogy of Lean Production. *Journal of Operations Management*, 25 pp420–37.
- Hood, C. (1991). A Public Management for All Seasons? *Public Administration*, 69 (1), 3–19.
- Hood, C. (2000). ‘Paradoxes of public-sector managerialism, old public management and public service bargains’, *International Public Management Journal* 3, 1–22.
- Hughes, O. E. (2003). Conclusion; a new paradigm for public management. In *Public management and administration*, Third edition. Chapter 14 (256–71). Palgrave Macmillan, Basingstoke.
- Ibrayeva, A. R. & Nezhnina, T. (2013). Public Sector Reforms in Kazakhstan. In S. Liebert, S. Condrey & D. Goncharov (eds.), *Public Administration in Post-Communist Countries* (43–68).
- Janenova, S. & Kim, P. S. (2016). “Innovating Public Service Delivery in Transitional Countries: The Case of One Stop Shops in Kazakhstan”, *International Journal of Public Administration*, 39:4, 323–333.
- Janenova, S. & Knox, C. (2013). Civil service reform in Kazakhstan: trajectory to the 30 most developed countries? *International Review of Administrative Sciences*, 0(0), 1–21.
- Junusbekova, G. A. (2015). Improving the System of Evaluating the Effectiveness Activity of State Bodies in the Republic of Kazakhstan, *Public Policy and Administration [Viešoji politika ir administravimas]*, 14 (2), 250–264.
- Kassenov, Marlen. (2017). Head of Division of Control of Public Services at the Almaty Akimat, Speech at the conference “Issues of Delivery public services in Kazakhstan: achievements, problems and further steps”, Astana, NU, 30 October 2017.
- Knox, C. (2008). Kazakhstan: Modernizing government in the context of political inertia, *International Review of Administrative Sciences*, 74(3), 477–496.

- Knox, Colin. (2017). Nazarbayev University Graduate School of Public Policy Professor, Speech at the conference “Issues of Delivery public services in Kazakhstan: achievements, problems and further steps”, Astana, NU, 30 October 2017.
- Krause P. (2013). Of institutions and butterflies: is isomorphism in developing countries necessarily a bad thing? Background note. Overseas Development Institute: London, April.
- Law on Public Service. (2013). The law of the Republic of Kazakhstan “On Public Services” enacted on 15 April 2013.
- Meyer, J. W. & Rowan, B. (1977). Institutionalized organizations: formal structure as myth and ceremony, *American Journal of Sociology*, 83(4), 340–363.
- OECD. (2016), Multi-dimensional Review of Kazakhstan: Volume 1. Initial Assessment, OECD Publishing, Paris, retrieved from <http://dx.doi.org/10.1787/9789264246768-en>
- OECD. (2017). OECD Framework for Measuring Well-Being and Progress, retrieved from <http://www.oecd.org/statistics/measuring-well-being-and-progress.htm>
- Osborne, S., and Kinder, T. (2011) Want doesn't get? Public management responses to the recession. *Public Money & Management*, 31:2 pp85–89.
- Pizikov, Sergey (2017). Chief Expert of the Information Development Fund, Speech at the conference “Issues of Delivery public services in Kazakhstan: achievements, problems and further steps”, Astana, NU, 30 October 2017.
- Radnor, Z. & Osborne, S. P. (2013). Lean: A failed theory for public services? *Public Management Review*, 15:2, 265–287.
- Radnor, Z., Holweg, M. and Waring, J. (2012) Lean in Healthcare: The Unfilled Promise? *Social Science and Medicine*, 74:3 pp364–71.
- Register of Public Services. (2013). The Register of public services approved by the Government of the Republic of Kazakhstan on 18 September 2013.
- Salamon, L. M. (2002). The New Governance and the Tools of Public Action: An Introduction. In *The Tools of Government: A Guide to the New Governance*. Chapter 1 (1–19). Oxford University Press.
- Sheryazdanova, G. & Butterfield, J. (2017). “E-government as an anticorruption strategy in Kazakhstan”, *Journal of Information Technology & Politics*, 14:1, 83–94.
- State Corporation “Government for citizens”. (2017). *Istoriya sozdaniya GK [History of the Creation]*, retrieved from <https://gov4c.kz/istoriya-sozdaniya-gk/>

- Thiel, S. V. & Leeuw, F. L. (2002). The Performance Paradox in the Public Sector, *Public Performance & Management Review*, 25 (3), 267–281.
- UNDP (2017). Information on the project strengthening responsive governance for MDG acceleration in Kazakhstan. Archive version of 2010. Retrieved from [http://www.kz.undp.org/content/kazakhstan/en/home/operations/projects/democratic\\_governance/strengthening-responsive-governance-for-mdg-acceleration-in-kaza.html](http://www.kz.undp.org/content/kazakhstan/en/home/operations/projects/democratic_governance/strengthening-responsive-governance-for-mdg-acceleration-in-kaza.html)
- Webster, J., & Watson, R. T. (2002). Analyzing the past to prepare for the future: Writing a literature review. *MIS Quarterly*, 26(2), xiii–xxiii.
- Weerakkody, V. J. P., & Hinton, C. M. (1999). Exploiting information systems and technology through business process improvement, Vol. 6, London: John Wiley & Sons, Ltd.
- Weerakkody, V., & Dhillon, G. (2008). Moving from e-Government to t-Government: A study of process re-engineering challenges in a UK local authority perspective. *International Journal of Electronic Government Research*, 4(4), 1–16.
- Womack, J. and Jones, D. (1996) *Lean Thinking: Banish the Waste and Create Wealth in your Organisation*. New York, Simon and Schuster.
- Zhumabayeva, Zhanbota (2017). Chief specialist at the public services department, Speech at the conference “Issues of Delivery public services in Kazakhstan: achievements, problems and further steps”, Astana, NU, 30 October 2017.

# Potential for Improvements in the Reporting and Financing of Museums in the Czech Republic

*Milan Jan Půček<sup>1</sup>*

## Abstract

This text analyses various suggestions aimed at improvements of museum statistics and financing. In the Czech Republic, there are a total of 477 museums, 80 % of which are administered by the state, regions, or municipalities. The text focuses on this majority. Statistics pertaining to museums in the Czech Republic are administered by the Ministry of Culture of the Czech Republic, in particular its National Information and Consultation Centre for Culture (NIPOS). This contribution draws attention to some shortcomings (in the form of over-reporting of data) in museum reports in three areas and proposes certain measures which should lead to greater reporting accuracy.

These three areas are: (1) Reporting of visitor numbers, where visit rates should be reported not as ‘visitors of expositions and exhibitions’ but as ‘museum visitors’, which would make reports less ambivalent and in the long-term lead to museums’ greater focus on visitors. (2) Reporting of scientific results, where research carried out by museums should follow the governmental standards of research reporting. This should lead to gradual improvements in the quality of research carried out by museums. (3) Reporting of economic self-sufficiency, where current statistical methods enable an artificial increase in economic self-sufficiency through accounting operations and thereby fail to motivate museums to increase their real income from visitors (ticket sales and sales in museum shops) and income from rents and services such as consultations.

## Goals

---

At the moment, governmental policy on museums is spelled out in the ‘Conception of Development of Museums and their Work in the Czech Republic for 2015–2020’,

---

1 Charles University, Prague, Czech Republic.

which has been prepared by the Ministry of Culture of the Czech Republic. Its goals include, among others, improvement of museum services aimed at better satisfaction of societal needs, improvements in museums' research and development, and improvement in museum financing, or rather optimisation of the legal and economic framework within which they operate. **The main weakness of this policy is that it is based on statistical data which are, in some areas, unreliable, overestimated, and skewed as a consequence of the application of certain reporting methods.**

When such data enter the system and are processed further, they can lead to erroneous decisions on the part of politicians (on the level of state, regional, or municipal administration) who are in the position of museums' statutory authorities (founders). Distorted data can also support claims that current public policies pertaining to museums are effective and no changes are required, while, in fact, our changing society also requires changes in museums. In the Czech Republic, statistics pertaining to museums is administered by the Ministry of Culture, in particular its NIPOS section. Statistics produced by this body tend to significantly distort (over-report) the efficiency of the museum sector in three areas: (1) in museum visitor numbers, where instead of an actual visitor, i.e. a person who visits a museum, what actually is reported are 'visitors to exhibitions and expositions. In short, a museum which has, for instance, both a permanent exposition and a temporary exhibition can, according to this report format, report every visitor who passes through the entire museum, not once but twice: once as a visitor to the exposition and once as a visitor to its exhibition. All it takes is the suitable format for the museum ticket. (2) In the area of results of research and development, where research results as understood by the NIPOS differ from the governmental methodology of research and development (henceforth referred to as Methodology 17+). According to the less stringent NIPOS criteria, museums report about three times more results than they would according to the governmental norms. (3) In terms of evaluation of economic self-sufficiency of museums, where results can be improved by various accounting operations. This ultimately lowers museums' motivation to increase their income from ticket sales, services, etc.

## Policy Target Group

The changes proposed below are intended mainly for:

- (1) Political representatives of the Ministry of Culture, where this paper's aim is to have an impact on (a) the creation of museum policy and responsibility for museum statistics, (b) the Ministry of Culture's role as the statutory authority of most state museums, and more generally also (c) to influence the Ministry's work on the preparation of a bill on public cultural institutions. This bill will most likely include museums and it is most desirable that it promotes trans-

parency of museum financing and motivates improvements in the efficiency of museums' functioning.

- (2) Representatives of regional authorities (the regions are statutory authorities of 93 museums; on average, each region in the Czech Republic is the statutory authority of 7 museums in its territory) and municipal authorities (municipalities are the statutory authorities of a total of 252 museums).
- (3) Relevant experts, i.e. museum directors, museum staff, and other relevant specialists.

## **Policy Aims**

---

The chief aim of measures proposed is to achieve a change in museum statistics to make them more reliable, provable, and less vulnerable to distortion by the adoption of relatively simple administrative, organisational, or accounting techniques undertaken by museum directors or statutory authorities. Our aim is also to create conditions for a change of policy on museums and their functioning in future and to achieve a change in the behaviour of museums and their management.

As far as one can assess and forecast the impact of proposed modifications, a change in statistics will most likely lead to a decrease in reported visitor numbers (which would demonstrate that many museums are not attractive to visitors and fail to meet their social function), a marked reduction in reported results of research and development (since current statistical criteria do not correspond to standards common in these fields), and to a lowering of reported economic self-sufficiency of museums. In other words, implementation of the proposed measures would end the practice of over-reporting and skewing data in the abovementioned areas. This would help create a basis on which a wider discussion about changes in museum policies could be initiated. Such discussion should touch upon changes in three main areas: firstly, with respect to visitors, where the ultimate goal is to transform museums to visitor-oriented community centres by redefining them as institutions which provide services to the public. In this approach, the memory function of museums is used as a starting point of experience-based learning. Secondly, in relation to museums' scientific activities, where the goal is to transform museums' research activities so they would meet the standards of regular scientific bodies and produce high-quality, socially relevant research results. And finally, in relation to museum economy and financing, the goal is to motivate museums to increase their economic self-sufficiency and open a discussion of suitability of the legal form of 'subsidiary organisation'. These three areas should form the foundation of a discussion of these abovementioned issues.

## Background of the Problem

This part of the policy paper offers an analysis of the background of proposed policy changes: firstly, we analyse issues pertaining to the reporting of visitor numbers; secondly, we focus on the reporting of research and development outputs, and finally, we deal with the issue of museums’ economic self-sufficiency and methods used in its reporting.

In Europe, there are currently approximately 18,000 museums, and in the Czech Republic, there are, according to NIPOS statistics for 2017, a total of 477 museums. In particular, there are 33 state museums (with the legal status of a ‘state subsidiary organisation’), 93 regional museums (with the legal status of a ‘subsidiary organisation’), and 252 municipal museums. In total, there are thus 378 municipal, regional, or state museums, amounting to 80 % of all museums in the Czech Republic. The 99 remaining museums are private. Basic statistics on state, regional, and municipal museums are listed in the following Table and the following text focuses on them.

**Table 1**

Statistics of activities of museums founded by the state, regions, or municipalities

	Data for particular years		
	2015	2016	2017
Museums (incl. galleries and memorials)	385	384	378
Museum employees	5,700	5,894	6,015
Temporary exhibitions	3,941	3,791	3,818
Permanent expositions	1,763	1,843	1,835
Visitors to expositions and exhibitions	9,589,759	10,745,568	11,059,703
Results of research and development	2,586	2,746	2,774
<b>Economic data</b>			
Income (in millions of EUR)	35.51	37.80	36.94
of which income from ticket sales (in millions of EUR)	15.35	17.97	20.10
Non-investment expenses (in millions of EUR)	170.36	186.27	203.15
Economic self-sufficiency (%)	20.8	20.3	18.2

Source: author based on NIPOS (2018)

**The first subject** addressed in this text is the **issue of visitor numbers**. In 2017, it was reported that the number of visitors to expositions and exhibitions was over 11 million. According to the NIPOS statistics, however, visitor numbers are counted based on the number of tickets sold, or, in some cases based on records

in visitor books. Where there is no admission fee, and hence no tickets sold, the museum or gallery also has the option of reporting a 'reliable estimate'. Reporting based on ticket sales, however, enables the manipulation of visitor numbers without violating reporting rules. For example, a museum has three permanent expositions and one exhibition. Visitors can buy a ticket to the expositions and a separate ticket to the exhibition. If a visitor wishes to view the whole museum, he or she receives two tickets, one for the exhibition and one for the expositions. In this way, one visitor becomes two, since according to NIPOS statistics, two sold tickets means two visitors. The museum's director can decide to adjust visitor numbers because the NIPOS statistics do not count the actual number of museum visitors but rather just 'visitors to exhibitions and expositions'. This visitor number indicator easily lends itself to alternative reporting, i.e. to artificial increasing of visitor rates.

**The second subject** is the issue of reporting **results of research and development**. Museums in the Czech Republic are obliged by law to engage in scientific activities: it is specified in Act No. 122/2000 Coll. on the protection of collections of museum nature. In law, therefore, museum activities are closely linked to science, both in the form of the acquisition of collection items for the purpose of research or study and in the form of scientific investigation of the environment in which the items were collected. Most museums do carry out research in accordance with the relevant law, but only 22 – mostly state-subsidised – museums listed as 'scientific organisations' in the sense of Act No. 130/2002 on the support of research. These museums then report their research results in accordance with the governmental methodology of research and development (Methodology 17+). Research undertaken in accordance with the law on collections (No. 122/2000 Coll.) is subject to data collection by NIPOS, whereby in 2017, a total of 2,774 such results were reported (see Table 1 above). These NIPOS-reported results can be checked against research results reported in the RIV database (governmental registry of research results), that compared results which meet the criteria of governmental Methodology 17+. For 2017, for all museums in total, only 907 such results had been reported. It ought therefore to be checked what exactly is included in the NIPOS statistics of research and development results. In the NIPOS form, it is stated that "*outputs of meeting the tasks of research and development can take the form of monographs (their chapters) which have an ISBN, articles with footnotes in anthologies and journals, announced presentations at conferences, textbooks or their chapters, catalogues or collections, exhibitions or expositions, eventually also editions of documents which include a critical apparatus, librettos or screen scripts of exhibitions or expositions by individual artists, manuscripts of research reports or conservators' reports which meet the criteria of original work, adopted projects, or proposals of new technologies.*" This clearly demonstrates a different understanding of the subject than that endorsed by the valid governmental Methodology 17+ and its definition of research and development results. For instance, according to Methodology 17+, textbooks or their parts do not meet the criteria of research and development results and with respect

to contributions to anthologies, such anthology should be included in the Scopus database, the Web of Science, or some similar platform. A comparison of what qualifies as research according to NIPOS and according to Methodology 17+ clearly shows that some items included in the NIPOS do not meet the more stringent governmental criteria. This implies that some Czech museums engage in research according to ‘lower standards’ or ‘lower quality’ and may not even be aware of it. The NIPOS statistics neither motivates nor demands the production of higher-quality research output.

**The third subject** we deal with is the reporting of museums’ **economic self-sufficiency**. The self-sufficiency of museums is calculated as the ratio between income and total non-investment expenses. In general, it tends to be around 20%. The problem with calculating economic self-sufficiency in this way is that this formula includes:

- Income from ticket sales (which is unproblematic);
- Income from services provided by the museum, for instance for renting of spaces, sales in a museum shop or other services provided by the museum, such as consultations. This item is not reported separately and income under this heading thus cannot be checked.
- Income from entering investment funds in the accounting, especially if the museum’s investment fund is used for repairs and maintenance of museum property. This item is problematic.

This last item is basically an accounting operation which increases museum income and a museum director can, by deciding to use a museum investment fund for repairs and maintenance, significantly increase museum income and thereby improve its self-sufficiency results. It could very well be argued that true economic self-sufficiency should be calculated only from the first two items listed above.

## Alternatives

When evaluating alternatives, we focus on museums whose statutory authority is the state, regions, or municipalities. There seem to be two alternatives. First of all, there is the “do nothing” option, which seems to be quite popular in the Czech environment. No steps need to be taken and the status quo is preserved. The second option, however, is to modify the reporting and consequently the statistics in one, two, or all three proposed areas.

To evaluate the alternatives, we shall first apply the three Es, i.e. economy, efficiency, and effectiveness, and secondly, we shall apply the criterion of data reliability.

**Economy** in this context is to be understood as:

- Total non-investment spending on museums in the Czech Republic;
- Total contribution by the state, regions, and municipalities to all museums.

**Effectivity** will be evaluated using the following set of criteria (given the nature of available data, the choice is rather limited):

- Cost per visitor;
- Per visitor contribution by the statutory authority;
- Number of scientific results per museum.

**Efficiency** will be evaluated using the following set of criteria:

- Self-sufficiency according to NIPOS statistics;
- Self-sufficiency based on income from ticket sales;
- Visitor numbers.

The choice of criteria was influenced by consideration of what data are available and in relation to the governmental museum policy. The governmental policy emphasises the desirability of an increase in visitor numbers and museums' ability to increase economic self-sufficiency. Currently applied statistical methods do not, however, motivate steps that would lead to these results.

**Reliability of statistical data** will, in the following, be understood as the degree to which the data listed above can be manipulated by museum directors or other relevant persons. We shall express it using the following scale of 1 to 3:

- Value 1 means that the data are difficult or impossible to manipulate or report in a misleading manner. They can be manipulated only by a violation of existing rules, i.e. by lying. Such a statistical item is reliable.
- Value 2 means the data are difficult to manipulate or report in a misleading manner, but manipulation is possible.
- Value 3 means data can be reported in a misleading manner, i.e. existing rules permit alternative interpretations or methods. Such statistical input is unreliable.

To calculate the effect of the do-nothing option, we use data from 2017 (data for 2018 have not yet been published). With respect to the second option, i.e. modification of statistical reporting, we assume – based on previous investigations and structured interviews with museum directors – that in the first year, implementation of the recommended measures would have no effect on total income and spending. What will happen, however, is a decrease in reported visitor rates by approximately 20 %, which would have a negative effect on the calculation of effectivity.

### Comparison of the alternatives

**Impact on the economy** is outlined in the following Table where economy is calculated based on two criteria.

**Table 2**  
Comparison of the alternatives: the economy criterion

	<b>“Do nothing” option</b>	<b>Option including modification of statistics</b>	<b>Comment</b>
Non-investment spending (in millions of EUR)	203.15	203.15	A change in statistical reporting methodology will have no impact on non-investment statistics or subsidies from statutory authorities.
Subsidies from statutory authorities (in millions of EUR)	166.21	166.21	

Source: author

This comparison shows that from the perspective of economy, the two options are equal both in terms of non-investment spending and in terms of subsidies received.

**Impact on effectiveness** is compared in the following Table, which is again based on 2017 data. Where the visitor number reporting is adjusted, we estimate a likely decrease in reported visitor numbers by 20 %, i.e. instead of the reported 11 million visitors for 2017, it would be 8.8 million visitors. Effectiveness is seen as a ratio.

**Table 3**  
Comparison of the alternatives: the effectiveness criterion

	<b>“Do nothing” option</b>	<b>Option including modification of statistics</b>	<b>Comment on the option which includes a modification of reporting and statistics</b>
Non-investment spending per visitor (in EUR)	18.4	23.0	Effectiveness will seemingly decrease and both spending and subsidy per visitor increase. Yet nothing will change since the number of museum visitors will not change. A decrease in effectivity is, however, undesirable which is why modification in reporting criteria has so far been rejected.
Subsidies from statutory authorities per visitor of exhibitions or expositions (in EUR)	15.0	18.8	
Number of research outputs per museum	7.3	2.4	If the governmental methodology of reporting research output is applied, effectiveness will significantly decrease. Reporting according to NIPOS enables reporting of ‘research results’ which do not meet the criteria of governmental Methodology 17+. Modification of reporting is opposed because it would lead to apparent decrease in effectivity.

Source: author

From the effectiveness perspective, it seems that the “do nothing” option, i.e. preservation of the status quo, is more effective, but that is merely the result of the reporting methods, a consequence of over-reporting of the actual data.

**Impact on efficiency** is compared in the following Table. To compare the impact of the two alternatives on efficiency, we used three criteria: economic self-sufficiency according to current NIPOS statistics, economic self-sufficiency in relation to income from ticket sales, and the number of visitors.

**Table 4**  
Comparison of the alternatives: the efficiency criterion

	<b>"Do nothing" option</b>	<b>Option including modification of statistics</b>	<b>Comment on the option which includes modification of reporting methodology</b>
Economic efficiency according to NIPOS statistics	18.2%	18.2%	According to the NIPOS statistics, economic self-sufficiency includes not only income from ticket sales and from services provided, but also accounting operations linked inclusion of investment funds where those moneys are used for repair and maintenance. One can thus use accounting to significantly increase reported efficiency. Self-sufficiency in relation to actual income from ticket sales stands at about one half of the currently reported figure. Museums have few incentives to increase self-sufficiency and statistics obscures the actual state of affairs.
Economic self-sufficiency of museums in relation to income from ticket sales	Is not reported, in fact stands at 9.9%	9,9%	
Number of visitors of expositions and exhibitions (in millions)	11.056	8.848	Increase in visitor numbers is one of the main goals of museum's activities. Objective reporting would lead to lower reported visitor numbers, i.e. to a decrease in efficiency. The decrease would, however, be merely apparent since actual visitor numbers would not change.

Source: author

From the perspective of efficiency, it seems that the "do nothing" option is more efficient, but that would merely be the effect of change in reporting methodology, that is, of ending the current practice of over-reporting.

**Reliability of data** in the two alternatives is compared in the following Table. The "do nothing" option enables data manipulation, which is why, according to the proposed evaluation; its reliability is set at value 3. The option which includes a modification of reporting criteria is proposed so as not to enable data manipulation and receives therefore value 1.

**Table 5**  
Comparison of the alternatives: criterion of data reliability

	<b>“Do nothing” option</b>	<b>Option which includes modification of statistics</b>	<b>Comment on the option which includes modification of statistics</b>
Evaluation on scale of 1 (reliable) to 3 (unreliable)	3	1	Statistical overviews and description of items can be modified to make the data unequivocal and so as not to enable alternative readings. That is the goal of measures proposed here.

Source: author

An overall comparison of the two options is presented in the following Table.

**Table 6**  
Comparison of the two options: all criteria

	<b>“Do nothing” option</b>	<b>Option including modification of statistics</b>
Economy	Equal	Equal
Effectivity	Seemingly higher – all three criteria are higher	Seemingly worse, actually equal – apparent decrease is due to modification of reporting
Efficiency	Seemingly higher – two criteria higher, one equal	Seemingly worse, actually equal – apparent decrease is due to change in reporting
Data reliability	Lower	Higher

Source: author

If our aim is to evaluate the two options by the three Es (economy, effectivity, efficiency), reliability of data is of key importance. If data are not reliable and can be manipulated, we could, based on the three Es, erroneously conclude that preservation of the status quo (the “do nothing” option) is preferable due to higher effectivity and higher efficiency. In reality, however, it is not so: higher effectivity and efficiency are due solely to data manipulation in the sense of their over-reporting both with respect to visitor rates and the number of research results. Over-reporting of research output, while not violating NIPOS reporting criteria, does have a significant effect: less efficient museums cannot be distinguished from the more efficient ones. This implies less pressure on change in the sense of transformation of a museum towards an open, service-oriented institution (higher visitor rates), less pressure

on producing better-quality research results, and less motivation to transform into an economically more self-sufficient institution.

In the context of museum economy and financing, this discussion should be set within a wider framework of suitability of the existing legal definition of 'subsidised organisation', which is, within the EU, used in effect only in the Czech and Slovak Republic. This legislation determines the way in which state, regional, and municipal museums manage their finances. Such discussion could help speed up work on the act on public cultural institution as an alternative to current 'subsidised organisations'. Preparation of such a law is included in the current government's programme statement.

## Stakeholder Analysis

As part of the stakeholder analysis, the following stakeholders have been identified. As noted above, many museums are established by regions and municipalities. According to Czech legislation, museum directors are appointed by the statutory authorities of subsidised organisations. In many cases, a museum director is a local politician; for instance a current or former representative of the municipality or region in question. The choice of museum director is thus not always guided by expertise but by political allegiance, which has a significant impact on the functioning and efficiency of museums.

An overview of stakeholders and their interests:

- Stakeholders Group 1: **Progressive museum directors and staff**. These persons who wish to change the current state of affairs and improve reporting accuracy and reliability tend to form a minority.
- Stakeholders Group 2: **Non-progressive museum directors and staff**. Persons belonging to this group are in favour of maintaining the status quo. This can be due to various reasons, including fear of the unknown, fear of the inability to meet higher demands, the conviction that a museum's statutory authority ought to pay subsidies no matter what, lack of interest in visitors, etc. These persons are in favour of the "do nothing" option, i.e. preservation of the status quo. Since they form a majority, this view is also shared by the professional association of museums and galleries.
- Stakeholders Group 3: **A minister of culture, his or her secretaries, relevant staff** of the Ministry of Culture. They could implement the recommended changes but given the prevailing stakeholder opinion, i.e. the attitude of Group 2, they do not wish to. Moreover, a decrease in the efficiency of museums, albeit slightly apparent, could be viewed as politically undesirable. This is a key group and if they can be convinced, changes could be quickly implemented.

- Stakeholders Group 4: **Politicians of regions and municipalities which are the statutory authorities of museums.** In most cases, they are unaware of the problem and if they know of it, it usually seems unimportant to them. If, moreover, they are locally responsible for culture, they may view the implementation of the recommended measures as undesirable because they would have to explain the decrease in museums' efficiency.

## **Consultations**

---

Various consultations on this subject have already taken place, both with representatives of the Ministry of Culture of the Czech Republic and with representatives of the Association of Museums and Galleries (the professional organisation of museums and galleries in the Czech Republic).

Especially important are the discussions with the Ministry of Culture: if the minister wished to, the manner of reporting could be modified quite easily. In this context, timing is also important. To address changes in reporting, consultation with representatives of the Czech Statistical Office would also be needed, because the proposed changes would affect museum statistics.

## **Policy Recommendations**

---

Recommendations are relatively straightforward: to modify the NIPOS museum statistics (form including commentaries) in the following areas:

### 1. With respect to **visitor numbers**

Modify the definition of visitor numbers so as not to allow any manipulation of numbers by museum representatives. Visitor numbers are a key criterion in assessing museum efficiency. It is proposed that the NIPOS form for data collection, including explanations pertaining to specific form items, be modified and instead of the term 'visitors of expositions and exhibitions', the term 'museum visitors' be used. The relevant explanation would also clearly spell out impermissible ways of reporting museum visitor rates. In the first year after implementation, this modification would probably lead to a decrease in reported visitor numbers in museums which do manipulate this figure. One can, however, assume that it would eventually lead to positive changes in museums' attitudes to visitors.

### 2. With respect to **research and development**

Criteria for museums' reporting of research and development output should be adjusted so as to correspond to governmental Methodology 17+. In the first year, this would lead to a decrease in reported output by approximately two-thirds. In the longer run, however, it would motivate museums to improvements

in the quality of research undertaken by them. At present, museums may not even be aware that they do research by 'lower standards' or 'lower quality'. In the long run, the proposed modification of what counts as a research output would be an important step leading to an increase in professionalism and the improved quality of research undertaken by museums.

3. With respect to reporting museum **self-sufficiency**

Self-sufficiency should be reported:

- (a) According to the current method used by the NIPOS, i.e. as income/total non-investment spending;
- (b) Economic self-sufficiency in relation to income from ticket sales, services, and sale of goods (in museum shops), i.e. income from ticket sales + income from services + income from the sale of goods/total non-investment spending;
- (c) Economic self-sufficiency in relation to income from ticket sales, i.e. income from ticket sales/total non-investment spending.

Current reporting criteria enable artificial over-reporting of economic self-sufficiency by accounting operations and do not therefore motivate museums to try and increase either real income from visitors (both for ticket sales and sales in museum shops) or income from rents and services.

## **Conclusions**

---

This policy paper discusses certain shortcomings in the statistics pertaining to museums, which are part of the foundations upon which policies with respect to museums and their functioning are created. It is shown that a seemingly minor problem creates an obstacle to a more comprehensive change in museum efficiency because data that can be manipulated (and are thus unreliable) do not indicate the need for changes in museum management. This state of affairs thus contributes to the fact that museums in the Czech Republic (1) are not sufficiently oriented towards the needs of their visitors (the issue of over-reporting of visitor numbers), (2) report as research results in work that does not meet the necessary standards (the issue of reporting in science and research), and (3) museums are not motivated to increase income from ticket sales, museum sales, rents, and services (the issue of reporting economic self-sufficiency where the figure can be increased by accounting operations). Progressive museum directors have been trying to change this state of affairs, but a much larger group of 'non-progressive' directors is satisfied with the status quo. They can decide to legally improve reported statistics by implementing a few relatively simple organisational or accounting steps. In this way, however, the difference between efficient and well-functioning museums and museums that are average or even poor is lost.

## References

---

- Informační systém výzkumu, experimentálního vývoje a inovací – RIV [Information System of Research, Experimental Development, and Innovations] and ANV (Analysis of Research Outputs). Accessible at <https://www.rvvi.cz/riv>
- NIPOS (2018). Museum statistics. Accessible at <https://statistikakultury.cz/poskytovatele-kulturnich-sluzeb/>
- Ochrana, F., Plaček, M., Půček, M. J., Šimčík, A., *Management a hospodaření muzeí*, Praha: Karolinum 2018.
- Ochrana, F., Půček, M. J., Plaček, M., Douša, P. a kol., *Výzkum v muzeích (metodologie, metody, řízení, postupy, statistika)*, Praha: Národní zemědělské muzeum 2019
- Statistika NIPOS – formulář: Roční výkaz o muzeu a galerii (muzeu výtvarných umění). Kult (MK) 14-01 [NIPOS Statistics – Form: Annual Report on Museum and Gallery (Museum of Fine Art). Ministry of Culture CZ 14-01]. Accessible at <https://www.nipos.cz/?cat=102>

## Appendix

---

### Methodology, Methods, and Data

This text is structured as a policy paper and further subdivided according to a prescribed format. That is why space for methodology, methods, and data is only in the appendix. With respect to methods, this text applies a mix of normative and positive methodology. **Positive methodology** was used in the description and analysis of the subject, i.e. to outline the subject both on a theoretical and a practical level (data analysis, analysis of interviews, etc). Positive methodology was also used in desk research of available sources, legislative framework of the subject, and other useful sources. When applying positive methodology, the following were viewed as the core criteria questions: ‘What actually took place in relation to our subject, i.e. in relation to museum statistics?’ or ‘What is the current state of affairs with respect to the main subject of this contribution?’ Once these questions were answered, a solution was formulated which could, given certain selected criteria, be considered optimal. That process took place on a **normative level**, since it could be viewed as answering the question: ‘What would be the desirable state of affairs with respect to museum statistics within the areas of our interest?’ In his research, the author used a combination of methods, whereby of crucial importance was analysis, which was applied to the investigation of legislation currently in force in the Czech Republic, of literature and other available sources relevant to museum statistics or formulation of alternatives and recommendations. The author also used deduction, for instance when drawing conclusions from existing approaches to the subject of this paper, but also analogy and induction (for instance when drawing conclusions from analysis of particular primary and secondary sources and data).

The paper relies on statistical **data** of the Ministry of Culture of the Czech Republic (especially the NIPOS statistics), data on research and development results in the RIV and ANV databases, financial data from the MONITOR database (information portal of the Ministry of Finance of the Czech Republic, which enables access to budgetary and accounting data on all levels of state administration and lower administrative levels), and internal data of the National Museum of Agriculture.

The text was prepared as part of the institutional support provided by the Ministry of Agriculture of the Czech Republic to the National Museum of Agriculture, a research organisation (decision registration code MZE-RO0818 on provision of institutional support).

# The Reform of Territorial Public Administration in Hungary<sup>1</sup>

*Edit Soós*<sup>2</sup>

## Abstract

The study examines the most significant structural changes affecting territorial public administration in Hungary (2010–2019). The aim of the Hungarian government is the creation of a ‘Good State’ which serves the needs of individuals, communities and the enterprises and protects values and interests and which promotes competitiveness and development. The study examines the ongoing processes in public administration as political processes, making and accomplishing decisions and programmes that are closely connected to the characteristics of the political system.

The anticipated trends of territorial administration development until 2020 are included in public policy strategic documents with designated intervention areas, such as organisational development, public administration tasks, regulation of public administration procedures and human resources questions. Hungarian public administration should work in an organised, consistent and transparent structure which is highly professional, efficient and operate on modern information and communication technologies, thus creating a service-oriented state operation, enjoying the confidence of the public.

The study concludes that further efforts are required to modernise public administration and transform processes and workflows towards client-oriented, integrated and efficient territorial public administration which is simpler, more transparent and more accountable to citizens.

---

1 This research was supported by the project nr. EFOP-3.6.2-16-2017-00007, titled *Aspects on the development of intelligent, sustainable and inclusive society: social, technological, innovation networks in employment and digital economy*. The project has been supported by the European Union, co-financed by the European Social Fund and the budget of Hungary.

2 Faculty of Law, University of Szeged, Szeged, Hungary.

## **Goal**

---

The objective of the study is to approach processes in public administration between 2010 and 2019 from a public policy point of view. The government’s aim for 2020 is that Hungarian public administration should work in an organised, consistent and transparent structure, applying modern and customer-friendly procedures available for anyone with professional, national, ethical and motivated staffs.

The purpose of the reform programme is to improve trust in public administration by providing customer-focused services to citizens and business, and make government operations more efficient by accelerating procedures, reducing administrative burdens, time and cost, and more widely, computerise state-to-citizen relations.

The analysis is undertaken in order to provide an overview on the suitability and comprehensiveness of the reform in territorial public administration with special focus on administrative districts offices.

## **Policy Client**

---

The worth of each organisational and procedural reform depends on the officials themselves. The study addresses the heads of district offices and administrators, presents practical recommendations to strengthen the method of the decision-making processes in district administration, including opportunities for co-ordination and collaboration between citizens, enterprises and public administration employees.

The client’s point of view on the part of e-administration is that the clients become the actors of the administrative system. For this reason, e-administration will have more impact on clients and reduce bureaucracy by using specific ICT methods to obtain the best solution for creating a good client-administration relationship.

## **Policy Aims**

---

After the significant simplification of the central organisation of public administration, mainly at the ministry level, government and public foundations, the modernisation of the organisational system of public administration, simplification of public administration procedures and regulations, and management of human resources in public administration are the challenging tasks to be achieved.

State bureaucracy must not be allowed to hinder economic growth. For this aim to be achieved, the rollout of public administration through the internet must be continuously and consistently developed, together with further reductions in

administrative burdens on citizens and businesses, and an increase in the number of government public service points and the services offered by them.

Physical and IT infrastructure is essential for effective organisational operation. In order to broaden and improve the quality of e-administration services, the conscious use of info-communication tools by the Hungarian population, as well as micro and small enterprises with the objective to replace paper-based administration with electronic administration, would make procedures and organisational processes simpler, faster and more efficient.

## **Background of the Problem**

---

The reform of the territorial administration is part of the overall reform of public administration, which was primarily triggered by a diagnosis of the weaknesses, inefficiencies and bottlenecks in the structure of Hungarian public administration at all levels of government. In the Hungarian model of public policy making, the 'top-down' approach is dominant. Due to the traditional 'top-down' system, a general weakness of the public administration is caused by the lack of democratic control, accountability and transparency.

Regarding the stages in a policy cycle, through which a policy must pass before an authoritative decision is taken and carried out, there are some obstacles to overcome. The important condition for the effective operation of public administration is that task- and staff-based planning is not a general feature. The final phase of public policy is often missing, public policy processes begin, but they often do not arrive at completion. There is no evaluation phase and closure. Reconciliation of interests is too hasty and therefore often formal. There is a deficit in the course of the actual and interpretative social consultations. The institutional mechanisms of the involvement of interest protection organisations operate only formally, and are related to the traditional feature of Hungarian political culture – to paternalism.

The overwhelming organisational system of the state and the non-transparent, unclear roles and responsibilities not only result in low efficiency, but they are also a major cause of corruption. The reduction of bureaucracy is also vital to the improvement of national competitiveness. The state should be a facilitator and not an obstacle for citizens and economic players in their dealings with it.

Key elements of the public administration crises are: a proliferating system of state organisations, unclear state responsibilities, lack of quality legislation and proper feedback, low level of customer service, under-developed e-administration, lack of effective staff management and career, and the low level of commitment of officials.

The relationship between the state and citizens is greatly influenced by the burdens that public administration procedures impose on clients. Some prob-

lems occurred with administrative burdens, customer orientation, time and cost, non-standardised service qualities, and with the non-interoperable operating and management systems. Customer service became unsustainable, operating in a fragmented and inefficient manner.

In administration, several e-interfaces are used. The use of e-interfaces requires different access codes; e-interfaces do not have a uniform datasheet; the filing system constantly changes and in many cases the lack of a proper technical background (computers) means they are outdated.

The situation analysis reveals, and interviews with civil servants in the district offices, underlines that the use of interactive technologies is still limited amongst the Hungarian population. They have no competitive knowledge. The same statement also applies to the employees and managers of enterprises and there is also some backlog in the digital competencies of public administration employees.

Customer distrust of electronic administration is still the consequence of digital illiteracy. The disadvantages arising from the social situation, the lack of awareness and intellectual knowledge, and the disadvantages of the level of education, make the process of fast and efficient administration difficult. This means that citizens frequently do not choose e-government services instead of the traditional ones. The electronic management of cases is a constraint and an unreasonable burden on customers who do not have the right competencies or sufficient background. The measure becomes customer-oriented when the concerned target groups i.e. citizens, and micro and small enterprises, have the appropriate IT skills.

## **Alternatives**

---

Public policy focuses on the analysis and explanation of government responses to public problems and is also concerned with the evaluation and impact of these policies on citizens.

Different countries need different governance systems in terms of both principles and structure. Countries with different ideologies have and require different unique governance setups. However, the preferable redesigns of governance depend significantly on specific conditions and problems. Before identifying the tasks of governance and working out required redesigns, we need to look at the environments within which governance will have to operate in the foreseeable future and the problem domains with which it will have to cope.

Hungary is a unitary parliamentary republic, organised on a decentralised basis. There are three levels of governance: central, regional (county), and local. The government is the general body of executive power, and the primary director of public administration. It has a prominent role in shaping the work of the national parliament. With its act-preparing and act-proposing governmental activities, the

government greatly influences the issues to be debated in the national parliament. This means that it pursues the realisation of the goals laid out in the Government's programme.

In 2010 the Hungarian government set the aim of reorganising the Hungarian public administration and Hungarian state. A new approach was adopted – the Neo-Weberian philosophy of state advocated the reinforcement of the state's role, the requirement of the quality and the professional provision of services.

By adopting the Fundamental Law of Hungary (2011), the reform process has brought effectiveness of the central government's decision-making system to the forefront in European terms and, without this, it would have been impossible to implement changes in the public administration system. The Government created an unprecedented number of significant laws aiming at extensive changes in the political system and constitutional frame.

The key responsibilities for administrative reform are vested in the Prime Minister's Office, according to Article 18 (1) of the Fundamental Law 'The Prime Minister shall determine the government's general policy'. The head of government, as the leader of the executive power, embodies government policy, thus having significant influence on the functioning of the public administration.

The strengthening of the state requires strategic planning, prevision and risk-management. The directions of public administration development and the operating framework of Hungarian public administration were formulated in the public policy strategic documents. A coherent strategic planning and monitoring system has been established in order to implement the interdependent public policy programmes (National Cooperation Programme (2010); Magyary Programme (2011; 2012); National Info-Communication Strategy (2014–2020)). By establishing a unified, hierarchical system of strategic documents, the methodological expectations and the process of drafting and adopting strategies were approved.

Strategic planning is that the realisation of the 'Good State' concept is a 'top-down' process. At all levels, the government has reorganised the institutional system of public administration. The reform is consistently moving from the central to the local levels (central state administration, territorial level, and lower middle level). As part of the organisational renewal, the administrative county government offices (2011) and administrative district offices (2013) were established. The most important tool in the process was consolidation, reallocation of tasks and financial consolidation.

The Government's strategy is to build on the achievements of the Magyary Programme and its defined aim is to deepen the reform of public administration and to improve the quality and delivery of public services. In 2014, by the setting up of the State Reform Committee, the Government decided on the reform of state services, the reform of state administration services and the continuation of the

transformation of the territorial public administration. The goal is that the Magyary Programme should be a continuously updated action programme, adapted to the needs and aims of the times, which can make the development of public administration predictable.

## **Stakeholder Analysis**

---

It is important to have customer-friendly communication with clients. The expected behaviour from civil servants for solving an emerging problem is professionalism, simplicity, and proper communication with customers by the agent after determining whether the client represents a direct, definite, distant, or uncertain style. On the other hand, it is an essential requirement for the client to verify the interview, check, and understanding.

Management decisions require the use of tools and methodology that help to achieve organisational objectives, so that employees can perform their tasks in a dedicated, completely professional and cooperative manner.

Leadership responsibility is essential in the detection of workplace conflicts, eliminating the root causes, and the role of management communication tools is paramount to the method of intervention and treatment. It is important to have continuous (written and oral) consultations with employees. The good executive promotes positive thinking in order to have officials who consider their work not only as a source of livelihood, but as a profession.

## **Consultation**

---

A professional, cost-effective, service-oriented and career-based public service needs to be underpinned by human resource management. The government offices should offer horizontal actions and initiatives, innovative practices, exchanges of experience, including seminars, workshops, short-term joint staff training events, blended learning, supporting civil servants in acquiring and developing basic skills and key competences.

The role of professional training, effective information transfer, good communication, and organisation of team-building events are important, but leadership self-awareness, self-development, self-training, and continuous development of leadership skills and competences are of similar significance.

E-administration and e-public services to be developed which come closer to international levels are necessary to increase cooperation with international organisations, and to work with the Council of Europe and European Committee of the Regions on different thematic issues and discuss further professional activities.

Collaborating with professional, civic or academic organisations to exchange information and knowledge, to establish projects, and upgrade the efficacy of local activities and public service management promote the implementation of joint initiatives.

## **Policy Recommendation**

---

The implementation of the public sector reform depends on the skills, knowledge, motivation and commitment of the public sector workforce. Ensuring the efficient, customer-oriented professional performance of the public administration is a major challenge for administrators and executives in the decision-making process. Improvements should be made in the development of interoperability capabilities in order to improve the efficiency of the procedures of individual professional organisations and the interaction between citizens and businesses.

Public service communication requires preparedness for public administration as a whole, but there is no single good communication strategy, it is necessary to select the right one for each organisational unit. The authority cannot expand beyond its sphere of competence, so problem-solving must be the most important aspect of decision-making.

In many cases, it is necessary to find the methods of performance enhancement at local level, which are needed for retaining skilled, experienced labour force. In addition, a leader can also contribute to effective decisions with unique incentives (such as recognition, or engaging in challenging tasks).

There are many circumstances which are independent on local decisions (wage-related benefits, improvement of workplace conditions, etc.), but, at the same time, there are factors determined locally. In adapting to the needs of employees in a more flexible way, the role of the head of the district office is decisive in ensuring that the office environment is customer-friendly, flexible, offers development, public service careers, does not raise wage tension, and engages employees in the decision-making process. It is important for a good executive to promote positive thinking in order to have civil servants who consider their work, not only as a source of livelihood, but as a profession.

## **Conclusion**

---

The Hungarian Government (2010–2019) fundamentally reconstructed the central state system. The reform was launched in 2010, aiming at the central state administration, resulting in centralisation, further strengthening the role of the Prime Minister and further broadening the competence of its apparatus, organisational integration and a reduction in the number of central authorities.

The public sector was characterised by declining stability and predictability and strategic planning is therefore essential. After the 2010 change of government, a complex public administration development programme was introduced, which is aimed at the renewal of public administration on an entirely new basis.

The state territorial administrative reform, triggered by the public policy programmes in the process of administrative decentralisation, resulted in a centralised territorial model of the state administration within the terms of the European Administrative Space. When building a strong, centralised state with a strong public administration it became necessary to redefine the balance between the organisational principles of centralisation and decentralisation, and in that process the EU principle “close to the citizens” must be taken into account.

The anticipated trends of territorial administration development until 2020 are included in public policy strategic documents with designated intervention areas, which intend to create a public administration that is highly professional and efficient, with short administrative deadlines, thus creating a service-oriented state operation enjoying the public’s confidence.

The new regulatory environment has defined a new e-administration model with regulated electronic administration services. Since 2010, the state administration and IT legislation has expanded and changed with the objective of replacing the paper-based administration with electronic administration.

There are more than 300 professional systems in Hungary that are not compatible with each other. The ongoing projects aim to create an IT connection between them, making the administration simpler and faster, becoming more customer-friendly. During the 2014–2020 budget programming period, particular attention will be paid to the implementation of e-government projects co-financed by the European Union.

There is a need for more evidence-based policy-making, regulatory impact assessment and giving more consideration to a range of policy options. Hungary can only perform well if the obstacles blocking the further upswing of the sector are considerably and consistently dismantled.

## **1. Introduction**

In 2010, the Hungarian government set the aim of reorganising the Hungarian public administration and Hungarian state and to create a ‘Good State’ which is willing to reform the previous structure. A response to the distortions of public management in order to strengthen the state resulted in the introduction of the Neo-Weberian state paradigm. The Neo-Weberian state model gives an excellent role for the national governmental level in providing the common good, but on the other hand it greatly affects the strengthening of various levels of representative democracy (central, regional, local) whilst emphasising the importance of the unity of the

executive power of the state.<sup>3</sup> The ‘Good State’ concept emphasised the strengthening of the role of the state in ensuring professional and high-quality services for all.<sup>4</sup>

The development of the state requires strategic planning, prevision and risk management. The directions of public administration development and the operating framework of the Hungarian public administration were formalised in strategic documents. The goal of these documents is to improve the efficiency of the operation of the state and the quality of administrative services, and to create an effective national public administration.

Public administration is concerned with the organisation, activities, and behaviour of administrative agencies and officials in the conduct of governance. It is an important strategic goal for Hungary to modernise its public administration and to increase the use of modern information and communication technologies (ITC) in the interactions between state institutions as well as between state institutions and citizens.

## 2. Methodology

In methodological terms, besides the traditional legal-normative approach, the empirical work is based on information obtained from three sources: interviews with civil servants in districts, documentation and statistical data. The research focuses on the collection of information relating to the operation of the Hungarian public administration system. The study provides an evidence-based evaluation of the current situation of the reform of district offices and identifies the steps that can be taken to improve service delivery in districts.

## 3. The ‘Good State’ Concept in Hungary

In 2010 two processes had the most significant influence on the governmental structure: the European integration (Hungary joined the EU in 2004) and the governmental philosophy of the ruling coalition of Fidesz – Hungarian Civic Alliance (Fidesz) and Christian Democratic People’s Party (KDNP), the concept of the Neo-Weberian State.

The development process of European integration prioritises answering the question on how public administration can be understood in the European standardisation process, especially at organisational-institutional level and with regard to the activities and operations of public administration. The deepening European integration brings forward the institutional harmonisation of government systems of the EU Member States, particularly from a functional and value-oriented point

---

3 Stumpf István: Szakmai alapú közigazgatás – a neoweberianus állam. {Professional public administration – the Neo-Weberian state} Gazdasági és Szociális Tanács, Budapest, 2009, p. 97.

4 The Government began three major administrative programmes in 2011, in line with the state’s constitutional organisation: judicial and local government reform, and the Magyar Zoltán Public Administration Development Programme.

of view. This process is about the unification of the member states’ administrative authorities and their administrative procedures.<sup>5</sup> With all these taken into account, development of the European Administrative Space, as an informal entity, is a harmonised synthesis of values realised by EU institutions and Member States’ administrative authorities through creating and applying EU law. This effort will result in the approximation of the national administrations of the Member States, bringing closer administrative cultures and models of national administrations. These states have to take into consideration the common values and administrative principles, such as reliability and predictability, accountability, openness and transparency, effectiveness and efficacy.

After the reform attempts to consolidate the role of the state, the neoliberal state concept and the New Public Management derived from it the second Orbán government (2010–2014) and reconsidered the role of the state in government decisions in order to make it serve the common good. A response to the distortions of public management, in order to strengthen the state, resulted in the introduction of the Neo-Weberian state paradigm in Hungary.

The Neo-Weberian state model provides an excellent role for the national governmental level in providing the common good, but on the other hand it greatly affects the strengthening of various levels of representative democracy (central, regional, local) whilst emphasising the importance of the unity of the executive power of the state.<sup>6</sup> The modern, public-law and public-authority attitude of state-centred governance has a serious influence on exercising local public affairs and public authority. Moreover, it also affects the regulation of the renewing system of municipalities. (Annex 1)

#### **4. Reform of the Territorial Public Administration (2011–2020)**

##### *4.1. Establishment of administrative county government offices (2011)*

The territorial administration reform is part of the overall reform of public administration, which was primarily triggered by a diagnosis of the weaknesses, inefficiencies and bottlenecks in the structure of Hungarian public administration at all levels of government. As a result, the public administration lacked stability, predictability, certainty and uniformity of process across the country and among the administra-

---

5 Torma, András: The European Administrative Space (EAS). *European Integration Studies*, 2011. Volume 9. Number 1. p. 156.

6 Stumpf István: Szakmai alapú közigazgatás – a neoweberianus állam. {Professional public administration – the Neo-Weberian state} *Gazdasági és Szociális Tanács*, Budapest, 2009, p. 97.

tive actors involved in policy formulation, regulatory decision-making and administrative service delivery.<sup>7</sup>

As part of the operational and organisational renewal of the public administration, in accordance with Act CXXVI of 2010 (XI.19.) and the Government Decree No. 66/2015 (III. 30.), the capital and county government offices were established.<sup>8</sup> Altogether, 20 government offices are located in county seat cities and, in the case of the capital city and Pest county, in Budapest. In accordance with Article 17(3) of the Fundamental Law *'the capital or county government offices are the territorial state administration organs of the Government with general competence'*.

The tasks of government offices are to coordinate the implementation of government policies at territorial level. They exercise coordinative, authority-type, proposing and consultative powers, allowing the adjustment of central decisions, policies to territorial characteristics. Government offices are strictly controlled by central government and integrate a diverse set of special and general administration services.<sup>9</sup> With the establishment of capital and county government offices on the 1<sup>st</sup> of January 2011, the first phase of the integration of territorial state administration was completed.

The relationship between the State and citizens is greatly influenced by the burdens that public administration procedures impose on clients. Some problems occurred with administrative burdens, customer orientation, time and cost, non-standardised service qualities, and with the non-interoperable operating and management systems. Customer service became unsustainable, operating in a fragmented and inefficient manner. The overwhelming public administration system and the unclear roles of responsibilities cause not only low efficiency, but are also a major source of corruption.

An important step towards a less bureaucratic public administration was the setting up of the system of physical points of single contact. In January 2011, in accordance with Government Decree No. 288/2010 (XII.21.), Government Windows, an integrated network of service contact centres, were established. The Government Windows began to operate as the front offices of Government Offices. The one-stop-shops provide information and other administrative services from initiating and handling to closing a procedure to citizens in 2,500 different types of administrative cases. The extended task portfolio of the Government Windows is extremely

---

7 Magyary Zoltán Public Administration Development Programme. Ministry of Public Administration and Justice, Government of Hungary, Budapest, 10 June 2011; Magyary Zoltán Public Administration development Programme. Ministry of Public Administration and Justice, Government of Hungary, Budapest, 31 August 2012.

8 The capital and county government offices are led by government officials whose task is to coordinate and help the implementation of governmental tasks at a territorial level.

9 Hajnal, György – Kovács, Éva: Government windows: One-stop shops for administrative services in Hungary. Corvinus University of Budapest, COCOPS, 2013. p. 6.

broad but very shallow.<sup>10</sup> The delegated tasks show various pictures and embrace almost all public sector services (e.g. agriculture, employment and welfare benefits, personal document services (passport, ID card, driving licence, vehicle administration, customer protection, national register tasks, etc.) For the general public the Government Windows represent a customer-friendly, single-window administration system. By 2019 there are altogether 295 Government Windows in Hungary which make it easier for citizens to personally administer their affairs, served by 36,000 civil servants (Annex 2).

#### 4.2. *Establishment of administrative district offices (2013)*

In the second phase of the systemic integration, on the 1<sup>st</sup> of January 2013, districts were established.<sup>11</sup> The district offices comprise the lowest level territorial units of state administration.

In accordance with Act XCIII of 2012 (VI.25) and Government Decree No. 218/2012. (VIII. 13.) on the district (capital's district) offices, there are 174 provincial offices and 23 in the capital. Their function is to carry out administrative tasks below county level. Responsibilities transferred to the district offices are specific state administration cases falling within the competence of the notary, or, in exceptional cases, the mayor or the administrator of the mayor's office. Some 46.6% of the decisions adopted by the authorities in state administration cases (there were more than 10 million decisions adopted by notaries in 2010)<sup>12</sup> were made within the sphere of responsibilities that are now being transferred to the administrative district offices.<sup>13</sup> The integration of a certain part of the tasks of notaries into the district system accomplishes the concentration of the state administration, which, without doubt, provides exceptional possibilities for the state administration of a strong state. The tasks of districts are addressed to the head of the district office, who is also responsible for the tasks assigned by the government commissioner.

The districts grant the vast majority of public services for all Hungarian citizens. With the establishment of district offices the goal of the Government is to create a customer-friendly administration, modern administrative districts in order to help reduce costs to society, and to operate more effectively and with more atten-

---

10 Hajnal, György – Kovács, Éva: Government windows: One-stop-shops for administrative services in Hungary. Corvinus University of Budapest, COCOPS, 2013. p. 8.

11 Act XCIII of 2012 (VI.25) on the formation of the districts and on the necessary amendments of the related Acts.

12 The high level of autonomy for local authorities has been compromised by the new Fundamental Law and cardinal Act CLXXXIX on Local Government of 21 December 2011. The difficult economic context is the reason for rationalising structures and to cut local public spending.

13 The offices will primarily take over the following tasks from local councils: clerical and registration duties; child protection and guardianship matters; social, environmental and conservation management issues, residence registration, issuance of identification documents, passport administration guardianship matters, veterinary and food-related supervision, district land offices and district labour offices.

tion to the needs of the public. In order to ensure that administrative services are available to anyone, the branches of district offices operate in small municipalities and villages. In 2013 their number was 2030. The reason for creating the branches is that out of the 3,155 municipalities in Hungary 462 municipalities have fewer than 500 inhabitants.<sup>14</sup>

#### 4.3. Evidence-based policy-making in district offices

The development of digital administration (e-Government) has been a strategic direction on the agenda of both the EU and the Hungarian government since 2010. National Info-Communication Strategy (2014–2020) defines the Government's aims for a 7-year period in the field of info-communication in four areas and investigates the necessity of governmental intervention. These areas are the following: digital state, digital infrastructure and digital competences besides the digital economy.

The situation analysis of the Strategy reveals the limited character of digital literacy among citizens. The conscious use of info-communication tools by the Hungarian population, as well as micro and small enterprises, is rather low. According to EUROSTAT data, the digitally literate e-Government service uptake is close to the EU average, therefore a key precondition of further development is developing access and digital literacy.<sup>15</sup>

The National Info-Communication Strategy's major aspiration is that the rate of the digitally illiterate among the adult population should be reduced to 40 % by 2016 and 30 % by 2020, and that the indicator of regular internet use should reach 65 % by 2016. According to the target values set in the strategy, 90 % of micro and small enterprises could have internet access by 2016 and 99 % by 2020. The final goal in respect of creating the 'Good State' and modernising territorial public administration is to have satisfied citizens and clients.

The modernisation and transformation of electronic public administration in Hungary and the development of the necessary legal environment have been greatly influenced by EU requirements. The expectations of the EU are the informatisation, modernisation and alignment of public administration. Since 2010, the state administration and IT legislation have expanded and changed. Several key elements will be developed to contribute to the development of e-administration: electronic records management, creation of a card supporting identification and access, authentication, and development of government databases.

---

14 The settlement structure of Hungary is laid down in the Constitution. Settlement-level units are villages, towns and the capital, which necessarily cover the whole area of Hungary. Out of the 3155 settlements of the country 346 are towns (1 of which is the capital and 23 are towns of county rank), and 2809 are villages.

15 European Commission: Public administration characteristics and performance in EU28: Hungary. Written by György Hajnal, Krisztián Kádár & Éva Kovács Corvinus University Of Budapest & National University Of Public Service, April – 2018, p. 456.

Based on the experience of district administrators, there are many problems in practice in e-administration. During the administration several e-interfaces are used: a General Form Filler Programme (ÁNYK), Customer Access Portal (KRID Identifier), Document Management System (Poseidon, KÉR), Hungarian National Chamber of Civil Law Notaries (MOKKIT), Hungary's courts of law, eKAT (document signing, verification, extension). The use of e-interfaces requires different access codes and, in many cases, there is a lack of proper technical background (computers are outdated). According to the opinion of civil servants it is necessary to organise IT training for administrators, to organise e-administration trainings, to improve technical conditions and operate a unified professional system. Civil servants argue that the electronic management of cases becomes customer-oriented when the concerned target groups – citizens, micro and small enterprises – have the appropriate IT skills.

**Ensuring the efficient, customer-oriented professional performance of the district organisation is a major challenge for district administrators and executives in the decision-making process**

Public service communication requires preparedness for public administration as a whole, but there is no single good communication strategy – it is necessary to select the right one for each organisational unit. How can the leaders promote a change in attitude, loyalty, or positive thinking in the decision-making of civil servants? To this end, management decisions require the use of tools and methodology that help to achieve organisational objectives, so that employees can perform their tasks in a dedicated, completely professional, and cooperative manner. The role of professional training, effective information transfer, good communication, and the organisation of team building events are important, but leadership self-awareness, self-development, self-training, and continuous development of leadership skills and competences are of similar significance. Workplace conflict is detrimental if it has negative and destructive effects on workers or the workplace. Leadership responsibility is essential in the detection of workplace conflicts, eliminating the root causes, and the role of management communication tools is paramount in the methods of intervention and treatment. In many cases, it is necessary to find methods to enhance performance at local level and these are required for retaining a skilled, experienced labour force.

While complying with the strict data protection requirements, the cooperation between the registers, using different personal identifiers, has been resolved and the obligation of citizens to prove them has been abolished. Authentication (electronic document) of a legal notice (based on electronic identification) can also be applied to widespread modern devices (smartphones and tablets). Under the new regulation, the internal operation of public administration can be based entirely on electronic forms, with the introduction of an electronic–paper and paper–electronic certified copy making – service. At the same time, the m-administration i.e.

mobile administration has recently been developed in Hungary, with some Western European countries making significant progress.

It is important to develop electronic offices and systems which provide direct services to customers. The separation of front and back office functions, followed by the electronic restructuring of the back office functions, began on a standardised basis and this helped to improve user satisfaction. With regard to the development of customer information, it would be important to have electronic information displayed on a large monitor positioned in the client waiting area.

In summary, one of the most important means of increasing the efficiency of public administration is the extension of the use of info-communication technologies. Therefore, it is inevitable to place great importance on the extension of the scope of e-public administration services and the improvement of their quality, both to assist customers and officials of public administration and to make procedures and organisational processes simpler, faster and more efficient.

## References

---

### Books, articles

- Cairney, Paul. 2010. *Understanding Public Policy: Theories and Issues*. London: Palgrave MacMillan.
- Dror, Yehezkel. 2002. *The capacity to govern. A report to the Club of Rome*. London-Portland-Or: Frank Cass Publishers.
- Horváth, Imre László. 2017. The reform of the territorial public administration from 2010 to the present, with special emphasis on the re-interpretation of the customer-service model. *Új Magyar Közigazgatás*. Vol. 10. No. 1. 22–31.
- European Commission: Public administration characteristics and performance in EU28: Hungary. Edited by Hajnal, György, Kádár, Krisztián and Kovács, Éva. Budapest: Corvinus University & National University of Public Service. April 2018
- Hajnal, György, and Kovács Éva. 2013. *Coordination practice. Government windows: One-stop shops for administrative services in Hungary*. Budapest: Corvinus University, COCOPS.
- Available at: <http://www.cocops.eu/wp-content/uploads/2013/10/Hungary-CGov-Government-Windows.pdf>

- Stumpf, István. 2009. Szakmai alapú közigazgatás – a neoweberiánus állam. (Professional public administration and the Neo-Weberian State) In: *A modern állam feladatai. Magyar Közgazdasági Társaság és a Gazdasági és Szociális Tanács konferenciájának előadásai*. Edited by Halm, Tamás and Vadász János. Budapest: Gazdasági és Szociális Tanács. 92–104.
- Torma, András. 2010. Adalékok a közmenedzsment-reformok elméleti háttéréhez és főbb irányzataihoz. {Theoretical background of public management reforms} *Sectio Juridica et Politica*, Miskolc, Tomus XXVIII. 315–338.
- Torma, András. 2011. The European Administrative Space (EAS). *European Integration Studies*, Vol. 9. Number 1. 149–161.

## Documents

- Act CXL of 2004 on the General Rules of Administrative Proceedings and Services
- Act CLXXIV of 2011 on the amendment of the Act CXL of 2004 on the General Rules of Administrative Procedures and Services
- Act CXXVI of 2010 (19. XI. 2010) on the capital and county government offices, the amendment of territorial integrity, and the establishment of the capital and county government offices
- Act XCIII of 2012 (25. VI. 2012) on the formation of the districts and on the necessary amendments of the related acts
- Government Decision No. 1299/2011 (IX.1) on the formation of the districts
- Government Decree No. 218/2012 (VIII. 13) on the district (capital’s district) offices
- Government Decree No. 515/2013 (XII. 30) on the government windows
- Government Decree 1602/2014 (XI. 4) on the setting up of the State Reform Committee
- Government Decree No. 1744/2014 (XII. 15) on new measures related to the transformation of the system of territorial state administration
- Government Decree No. 66/2015 (III. 30) on the capital and county government offices and the district (capital’s district) offices
- The Fundamental Law of Hungary 2010. (25 April 2011)
- Office of the National Assembly. The Programme of National Cooperation. Document Number: H/47 Received: 22 May 2010.
- Magyary Zoltán Public Administration Development Programme. Ministry of Public Administration and Justice, Government of Hungary, Budapest, 10 June 2011

Magyary Zoltán Public Administration development Programme. Ministry of Public Administration and Justice, Government of Hungary, Budapest, 31 August 2012

National Info-Communication Strategy (2014–2020). Development Strategy of the Info-communications Sector (2014–2020)

## Appendix

---

### Annex 1 Legislation activity of the National Assembly

Cycle	Laws	Modification	Total	Resolutions	Political declarations, guide-lines, principled positions	Decisions
2010–2014	321	538	859	419	4	1282
2014–2018	221	509	730	121	0	851

Source: Hungarian National Assembly <http://www.parlament.hu/en/web/house-of-the-national-assembly/legislation-activity-of-the-parliament>

**Annex 2**

The number of government windows in the capital/counties of Hungary

<b>County (megye)/ capital</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Bács-kiskun	1	1	1	2	15	15	15
Baranya	1	1	1	3	12	13	13
Békés	1	1	1	1	11	13	13
Borsod-Abaúj-Zemplén	1	1	1	2	18	19	19
Budapest (capital)	4	4	5	12	22	31	28
Csongrád	2	2	2	4	11	11	11
Fejér	2	2	2	3	11	11	11
Győr-Moson-Sopron	2	2	2	3	9	9	9
Hajdú-Bihar	1	1	1	5	15	17	17
Heves	1	1	1	2	8	7	8
Jász-Nagykun-Szolnok	1	1	1	3	10	13	13
Komárom-Esztergom	1	1	1	2	8	8	8
Nógrád	1	1	1	2	4	6	6
Pest	3	3	3	6	14	21	22
Somogy	1	1	1	2	9	9	10
Szabolcs-Szatmár-Bereg	1	1	1	4	20	21	21
Tolna	1	1	1	3	6	8	8
Vas	1	1	1	3	12	12	12
Veszprém	1	1	1	4	13	13	13
Zala	2	2	2	5	7	7	7
<b>Total</b>	<b>29</b>	<b>29</b>	<b>30</b>	<b>71</b>	<b>235</b>	<b>264</b>	<b>264</b>

Source: Prime Minister's Office.





**ISBN 978-80-99939-01-2**

---

---