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25 Years of Public Administration Developments and Reforms in V4 region

Juraj Nemec, David Špaček (Eds.)

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Project partners and publication authors

Czech Republic

Masaryk University in Brno

Filip Hrůza; Juraj Nemec; David Špaček, Vladimír Tiutiuriukov

Newton College Praha

Bojka Hamerníková; Milan Lindner

Hungary

Kelen-Consult BT

György Hajnal

National University of Public Administration

Eva Kovács

Poland

Collegium Civitas

Katarzyna Iwińska; Andrzej Zybała

Slovakia

Alexander Dubček University

Jozef Habánik; Eva Koišová; Jana Masárová

Matej Bel University

Beáta Mikušová Meričková; Mária Murray Svidroňová

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Introduction

Public administration reform is always a topical issue. It has its development in developed as well as in V4 countries and the reform development has always been determined by various factors.

Despite the different basis of reforms in post-communist countries in the Central and Eastern European region (reforms in the modern sense could begin only after the fall of the totalitarian regime in the 1990s and required the transformation of totalitarian administrative culture into a modern and psychology of society coming to terms with the fall of communism which is still apparent to this day) today we can claim that the concept of their reforms is often similar to those in western countries. But it is also necessary to be aware that the reform processes in individual groups (developed democracy versus transitional country) are far from homogeneous. Despite the fact that common principles may exist (the principles of European Administrative Space are worked with in the European region), searching for ways to achieve them can significantly differ between states and it is a question of to what degree the good practice, which the institutions of the EU and OECD tries to spread, is followed within the EU due to the lingering specifics of the public administrations of states which form it.

The specifics of the reforms in the post-communist states of Central and Eastern Europe have been discussed intensively in public administration and public management literature. They lie, inter alia, in the fact that they had to (and often still have to) come to terms with one characteristic of their reforms, which distinguishes them, for example, from reforms in the countries of the former EU-15: and influenced by the desire for European integration, the reforms took place very quickly (Bouckaert talks of 'drastic' changes). Reforms were sometimes carried out hurriedly, without good quality processing of fundamental strategies, which led to further changes of the already adopted reforms and this was manifested in a subsequent wave of amendments.

The basic differences between the reforms of post-communist countries and reforms which took place in developed democracies is that at the same time (almost in a moment) political democracy was to be created and the principle of efficiency and effectiveness implemented (Bouckaert a kol., 2008). The principal differences between western developed democracies and CEE states was that the reforms took place at a time when their political systems were being transformed. Post-communist states wanted to have modern management systems without having first created a strong foundation for the subsequent development of democracy – a classic hierarchically structured public administration and related system of responsibility relations. Therefore reforms in the CEE region brought above all institutional changes among the main visible effects, i.e. changes in the organizational setting of public administration, creation of self-government, redefining of tasks of individual parts of public administration – state administration and self-government – and relations between them, including property relations after the onset of the new regime. Randma-Liiv (2008) points out that public administration reforms in the CEE region are more similar to the process of the creation of public

administration than the reform of public administration in the classical sense because as of the early 1990s the principal task of reforms in the CEE countries was to create a public sector rather than reduce public administration even through restructuring, etc. the creation of a stable foundation for public administration should also bring greater horizontal and vertical policy coordination, often lacking in the states of the CEE region, which brings inefficiency and the unexpected effects of reform and implementation of public policies.

The implemented steps of public administration reform are often a modernizing nature as criticized for example by recognized Czech sociologist as follows: "The word 'modernization' is so suggestive and disarming that it has become an argument in itself and there is no doubt of its justification. It is enough to declare that any proposal means modernizing reform and it is automatically assumed that it is the right, beneficial and desired change. If something is declared to be modern, it clearly limits the possibility of any doubt or even criticism" (Keller 2007). Klages and Löfflerová (1997) show that new organizational structure may emerge in administrative reforms which behaves more bureaucratically than the criticized Weberian bureaucracy. Therefore it is recommended that managers making modernizing changes are aware of the coherence of theoretical, organizational, economic and psychological aspects and are capable of integrating them into the resulting form of a change to avoid the rise of neo-bureaucratic structures.

The problems that arise when implementing planned public administration reforms also often result in schizophrenic reform policy (and their plans) – they contain mutual conflicting objectives. Starościak already pointed out in 1976 that firstly there exist characteristic contradictions between the degree of requirements placed on administration and the scope of resources with which administration is equipped for their implementation. A further contradiction lies in the fact that a rationally recognized attempt at progress (sometimes just very slight progress within the limits of the law) is accompanied by the desire to preserve, stabilize and not disturb the attained state of public affairs. Thirdly, there is the clash of the capability of quick reaction and democratism of the functioning of public administration. The fourth contradiction can be most succinctly described as a clash between realism and romanticism. It is with romantic zeal that administrative objectives are set and such romanticism is certainly a required component of good administration. However, setting objectives that cannot be met disqualifies each concept of activity. But even a realist can be affected by deformations where broader social interest is replaced by personal or collective interest. Last but not least, one must be aware of the contradiction between the need for progress which leads to the reshaping of existing relations and the conservative role of the law and administrative decisions (for more see Pomahač, Vidláková, 2002, p. 157 – 158).

The presented book summarizes public administration reform in Visegrad countries. Four chapters have been prepared by experts from Visegrad countries. Their text follows the following structure:

- first, chapters are summarizing the history of public administration system and deal with development of public administration in Visegrad countries up till the change of the regime in 1990s
- than the chapters outline the main starting points and trends of public administration reforms in the countries
- individual chapters also deal with overall evaluation of reforms implemented, summarize the patterns and point out what can be considered as a good practice in the countries

David Špaček and Filip Hrůza

25 years of public administration in the Czech Republic

prof. Ing. Bojka Hamerníková, CSc., NEWTON College Prague

Ing. Milan Lindner, Ph.D., NEWTON College Prague

Motto: "*Public administration is not isolated in society. Therefore, we cannot expect that problems existing in a post-modern society, largely arising from general relativization of values, will somehow stay clear of public administration. In this regard, the state of public administration cannot vary from the overall state of society.*"[1]

Introduction

Fundamental political and economic changes have taken place in the Czech Republic in the past quarter of a century. It is a relatively long period of time, during which all areas of life of society have been radically transformed, with public administration being no exception.

The significant milestone of the country's history was marked by the events of November 1989.

The political, legislative, and economic changes – in a word "dismantling" – of the socialist state and its transformation into a democratic state relying on the market economy also required transformation regarding the perception of its role, activities of executive apparatus and institutions, nature and quality of public administration employees, and effectiveness of their work. And it is a very challenging and prolonged transformation that is not always absolutely clear.

By analyzing the public administration development during the period, we should point out the key moments of its transformation and allow critical assessment of individual steps of various reforms, both planned and implemented. This is the only way to determine the pros and cons of the existing development and to indicate the trends of going forward.

Broken democratic traditions in all areas of social life for four decades of the monopolist rule of the Communist Party have strongly stigmatized the process of developing a new model for administration of public affairs and the state. In spite of historical traditions in the area of self-governments, it was very difficult to follow up on them and find an optimal model for governing relations between public administration and territorial self-governments. It was necessary to make significant efforts in the area of concepts, legislation, and implementation to ensure gradual harmonization of public administration with the standards of traditional democratic countries.

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[1] Matula, M., Kuba, J. Základní problémy reformy veřejné správy a stav jejich řešení. In Reforma veřejné správy. Sborník příspěvků. Prague: ASPI, a.s., 2007, p. 10. *(Key issues concerning the public administration reform and their current solution status. In Public Administration Reform. Collection of Papers/Proceedings)*

There are many questions relating to the assessment of reforms in the Czech Republic, after a very long time. It can be noted that the whole period took place as a single extensive reform or rather as transformation of society on its journey from one historical politico-economic system into a radically different socioeconomic system.

Public administration reforms that have been taking place – although often painful, tedious and not always straightforward or successful – have become part of a complex process of transformation of the social and economic life.

The objective of this study is to analyze the development in the area of public administration in the Czech Republic during the period, examine individual measures of planned and implemented reforms, and identify pros and cons of such reforms. Consequently, it will be possible to define good practice examples with potential application in other member states of the Visegrad Group.

However, we will try to assess these reforms objectively and correctly – both in terms of their objectives, focus, and conceptuality, and in terms of their effects for individuals, businesses, and non-profit sector.

The study is structured as follows:

- Analysis of the development of public administration in 1989 (Chapter 1)
- Development of public administration in the years 1989-2003 (Chapter 2)
- Development in 2003 (Chapter 3)
- Critical analysis of reforms (Chapter 4)
- Best practice and recommendations (Chapter 5).

1. Development of Public Administration in the Czech Republic to 1989

1.1 Chronological development of public administration to 1989

To identify the roots of our state (public) administration, we must go back to the formation and early development of the Czechoslovak Republic. The formation of an independent state (1918) required the development of public administration structure that had to be embedded within the fundamental legal regulations. The most significant legal regulations comprise Act no. 11/1918 Coll., on the Establishment of Independent Czechoslovak State (Reception Act), and Act no. 37/1918 Coll., on the Interim Constitution. Based on the Reception Act, the new state adopted existing provincial and imperial acts.[2] This was motivated by efforts aimed at preventing anarchy, since no Code of Administrative Procedure or legal system existed in the Czechoslovak Republic at the time. As emphasized with some authors, the adopted regulation of the Code of Administrative Procedure of

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[2] This concerns Act no. 11/1918 Coll., on the Establishment of Independent Czechoslovak State.

individual countries was highly diverse.[3] This was one of the reasons for drafting a reform that culminated in the proposal, discussion, and adoption of the so-called County Act (in 1920). However, the Act only applied to Slovakia, with the Austrian system used in the Czech Lands and the Hungarian system remaining in Subcarpathian Ruthenia.[4]

Changes also took place in the area of self-governments/authorities: provincial, district, and municipal.

Self-governments have a long tradition within the territory of the present Czech Republic, dating all the way back to 1848, with the old administrative feudal system no longer being justified due to the abolishment of servitude. Officers started to take control of provincial authorities, under the responsibility of vice-regents. Municipalities were organized as territorial self-governing bodies also partially exercising the state administration as part of their delegated powers (duality in public administration).[5]

Act no. 127/1927 Coll., on the Organization of political administration, was adopted in 1927. The state was divided into individual territorial-administrative lands: Bohemia, Moravia-Silesia, Slovakia, and Subcarpathia. Provincial authorities were established in Prague, Brno, Bratislava, and Uzhhorod; district authorities (state and municipal) were established for individual districts. As of 1928, both district and provincial bodies/authorities were closely linked to public administration; in other words, local governments were nationalized.[6]

The so-called Interim Constitution that was superseded by the so-called February Constitution in 1920 may also be considered important for the development of the new state. A transformation took place in 1920, with the provincial structuring being abolished and replaced by 22 counties within the territory of Czechoslovakia (with the exception of the territory of Subcarpathian Ruthenia). Countries were further divided into districts.[7] However, this system was criticized as well; consequently, the Act on the Organization of Political Administration (Organization Act) was adopted in 1927 that abolished countries and restored individual lands as the fundamental territorial-administrative units.[8]

During the period of 1938-1939, tendencies for independent Slovakia were rising, ultimately resulting in the adoption of the Act on the Autonomy of Slovakia (Act no. 299/1938 Coll.) and the Act on the

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[3] Group of authors. Historický vývoj právní úpravy správního řízení a dalších postupů ve veřejné správě. (1918-2005). Periplum, 2007, ISBN 978-80-86624-45-7 *(Historical development of the legal regulation of administrative procedure and other public administration procedures. 1918 - 2005).*

[4] Group of authors. Historický vývoj právní úpravy správního řízení a dalších postupů ve veřejné správě. (1918-2005). Periplum, 2007, ISBN 978-80-86624-45-7 *(Historical development of the legal regulation of administrative procedure and other public administration procedures. 1918 - 2005).*

[5] Group of authors. . Historický vývoj právní úpravy správního řízení a dalších postupů ve veřejné správě. (1918-2005). Periplum, 2007, ISBN 978-80-86624-45-7 *(Historical development of the legal regulation of administrative procedure and other public administration procedures. 1918 - 2005).*

[6] Janák, J. Dějiny správy v Českých zemích v letech 1848 – 1918 se soupisy pramenů a literatury. Jan Evangelista Purkyně University in Brno, Faculty of Philosophy and Arts, SPN Praha, 1987 (History of administration in the Czech Lands in the period of 1848 – 1918, including lists of sources and references).

[7] Act no. 126/1920 Coll.

[8] Act no. 125/1927 Coll.

Autonomy of Subcarpathian Ruthenia (Act no. 238/1938 Coll.) as well as in the change of name of the country to the Czech-Slovak Republic.[9]

Growing position and claims of the Fascist Germany and views of superpowers – i.e. France and Great Britain - led to the seizure of borderline territory and ultimately to the proclamation of the Protectorate of Bohemia and Moravia (1939). Activities of domestic and foreign resistance movement were important for the country's fate. Both foreign resistance movement branches (London and Moscow) pursued specific goals. It is also necessary to mention the so-called Provisional Government of Czechoslovakia and its recognition by Great Britain, where the so-called London branch operated.[10]

On 4 May 1945, the Czechoslovak Government of the National Front was appointed in Košice, with the effectiveness of the 1920 Constitution being restored. Increasing influence of the Communist Party of Czechoslovakia and country's "eastward" orientation affected the recovery processes in the liberated state and the adoption of the so-called May Constitution of 1948. This Constitution defined a system of regional national committees.

The communist coup d'état already took place in February 1948.

Act no. 280/1948 Coll., on the Regional system, abolished the provincial system and the Czech, Slovak, and Moravian-Silesian Lands ceased to exist.[11]

With regard to the area of public administration, a regional system was established in 1949, consisting of 13 regions and Prague. The so-called provincial national committees were abolished, with regional national committees being formed. However, self-governments were not restored. Public administration and the enforcement thereof were strongly politicized.

National committees represent one of the phenomena of the public administration development in the Czech Republic. They appeared in 1848, as well as during the fight for autonomy or period of occupation. They were also included in the first post-war government program (so-called Košice Government Program) in 1945.[12] The aforementioned program was followed by specific legislative measures that paved the way for establishment of national committees (Government Regulation no. 4/1945 Coll., as amended by Regulation no. 44/1945 Coll., implementing the Presidential Decree no.

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[9] Group of authors. Historický vývoj právní úpravy správního řízení a dalších postupů ve veřejné správě. (1918-2005). Periplum, 2007, ISBN 978-80-86624-45-7. *(Historical development of the legal regulation of administrative procedure and other public administration procedures. 1918 - 2005).*
[10] Balík, S., Holoušek, V., Holzer, J., Šedo, J. Politický systém Českých zemí 1848-1889. Brno: Masaryk University 2006. *(Political system of the Czech Lands in 1848-1889).*
[11] Schelle, K. Vývoj veřejné správy v letech 1948-1990. Eurolex Bohemia, s.r.o., Prague 2005, p. 366. *(Development of public administration in 1948 to 1990)*
[12] The so-called Košice Government Program states the following with regard to public administration issues:
"Unlike the former bureaucratic administrative apparatus that was detached from people, publicly elected national committees are being set up in municipalities, districts, and provinces as new state and public administration bodies. These national committees – i.e. publicly elected bodies, subject to continuous supervision and possible withdrawal by people – shall handle any and all public matters within their respective areas of operation and attend to public safety, in addition to central bodies, and shall set up their subordinate democratic staff of officials. The Government shall implement its policies via these national committees, fully relying on them." (see Schelle, K. Vývoj veřejné správy v letech 1948-1990. Eurolex Bohemia, s.r.o., Prague 2005, p. 365.)

18/1944 of the Official Journal). The structure of the committees consisted of three levels: local, district, and provincial national committees.[13]

Following February of 1948, ideologies of the Communist Party were embedded in the new Constitution of May 1948.

In 1954, the status of national committees was amended, newly representing "local state authority bodies of the working people of Czechoslovakia". The next to last change in this area took place in 1960. New Act no. 36/1960 Coll., on the Territorial structuring of the state, preserved the existing division into regions, districts, and municipalities; however, it created larger regions and districts than in 1949-1960.[14]

Based on the 1960 reform, the country was divided into 10 regions and Prague; these regions were further divided into districts (108 districts in total) and then into municipalities.[15]

The end of reform processes known as the "Prague Spring" due to the Warsaw Pact invasion in August 1968 marked a new stage in the country's development, resulting in its federalization. The formation of two national countries within the Czechoslovak Socialist Republic (as of 1 January 1969) also impacted the public administration organization. The structure comprised federal and state bodies as well as bodies of individual regions, districts, and municipalities.

In connection with the formation of Czechoslovak Federation, the status of national committees in both countries was regulated by Constitutional Act no. 143/1968 Coll., on the Czechoslovak Federation.

Furthermore, there were institutions, the competences of which did not match the territorial-administrative organization of the state. Based on the nature of such institutions' operations, it was possible to distinguish bodies with general or specific (sectoral or functional) activity. National committees operated as representative bodies of state power and territorial bodies of public (state) administration.

1.2 Key findings from this period

To identify the roots of our state (public) administration, we must go back to the formation and early development of the Czechoslovak Republic. The formation of an independent state (1918) required the development of public administration structure that had to be embedded within the fundamental legal regulations.

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[13] Schelle, K. Vývoj veřejné správy v letech 1948-1990. Eurolex Bohemia, s.r.o., Prague 2005, p. 366. *(Development of public administration in 1948 to 1990)*
[14] Schelle, K. Vývoj veřejné správy v letech 1948-1990. Eurolex Bohemia, s.r.o., Prague 2005, p. 388. *(Development of public administration in 1948 to 1990)*
[15] Act no. 36/1960 Coll. and the Czech National Council Act no. 367/1990 Coll., on Municipalities.

Act no. 127/1927 Coll., on the Organization of political administration, was adopted in 1927. The state was divided into individual territorial-administrative lands: Bohemia, Moravia-Silesia, Slovakia, and Subcarpathia.

The so-called Interim Constitution that was superseded by the so-called February Constitution in 1920 may also be considered important for the development of the new state.

Growing position and claims of the Fascist Germany and views of superpowers – i.e. France and Great Britain - led to the seizure of borderline territory and ultimately to the proclamation of the Protectorate of Bohemia and Moravia (1939).

On 4 May 1945, the Czechoslovak Government of the National Front was appointed in Košice, with the effectiveness of the 1920 Constitution being restored. Increasing influence of the Communist Party of Czechoslovakia and country's "eastward" orientation affected the recovery processes in the liberated state and the adoption of the so-called May Constitution of 1948. This Constitution defined a system of regional national committees.

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2. Development of Public Administration since 1989

Another significant milestone of the country's history was marked by the events of November 1989. Student demonstration in Prague with subsequent police intervention started nationwide protests and mass demonstrations, causing the fall of the political and power monopoly of the Communist Party of Czechoslovakia. As it is a relatively long period of time, I have divided the analysis into individual subchapters.

2.1 Development in the period of 1989 – 2003

2.1.1 Procedures and steps of reform in this period

By the end of 1989, major legislative changes and specific measures aimed at reconstructing the existing government took place. The so-called Federal Government of National Understanding was formed. The Czechoslovak Socialist Republic changed its name to Czech and Slovak Federative Republic. Moreover, parliamentary and municipal elections took place in 1990.

In the course of the first two years after the so-called Velvet Revolution, different ideas of Czechs and Slovaks concerning the future development in both countries were gradually surfacing, ultimately leading to a decision on the dissolution of the Czech and Slovak Federative Republic and formation of two independent states (in 1993).

What were the key developments in the area of public administration in this period (from 1989 to 1992)? The restoration of the (local) self-government principle was probably the most important one. By adopting the Constitutional Act no. 294/1990 Coll., which amended and appended the Constitutional Act no. 100/1960 Coll., the Constitution of the Czechoslovak Socialist Republic, the first step to the fulfillment of the aforementioned principle was taken.

A public administration reform was contemplated during the period, drafted as a two-stage process (in line with Government Resolution no. 71/1990):

- During the first stage, regional national committees were to be abolished, with a two-level model being implemented;
- In the course of the second stage, competences of both levels were to be finalized, while promoting local self-governments.

Discussions on national committees and their socialist "stigmatization" were the reason why neither of the two stages of the intended reform was implemented.

National committees were abolished at the end of 1990 [Act no. 367/1990 Coll., on Municipalities (Municipal System)]. Regional committees were abolished. District national committees were transformed into district offices/authorities.

Different opinions of the Czech and Slovak representation as well as other circumstances and factors resulted in the dissolution of the Czech and Slovak Federative Republic and formation of two independent states. The Agreement on the Dissolution of the Federation was signed in June 1992. In 1992, the Federal Assembly adopted the Act on the Dissolution of Federation, with the single country of Czechs and Slovaks effectively ceasing to exist following 74 years of existence.[16] The dissolution of Czechoslovakia not only generated reactions from all over the world, it was also associated with the complicated process of dividing the property, settlement of financial liabilities, etc. The dissolution process also affected the area of public administration.

Adoption of the Constitution of the Czech Republic (Act no. 1/1993 Coll.) was crucial for the future of local self-governments (authorities), because it legislatively embedded their concept and key principles.

Territorial self-governments were legitimized by the Constitution of the Czech Republic (Act no. 1/1993 Coll.). The Constitution defined territorial self-governing units as territorial communities of citizens with the right to self-government, as public law corporations which may own property with

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[16] This concerns Act no. 542/1992 Coll., on the Dissolution of the Czech and Slovak Federative Republic (for more details, see Group of authors. Historical development of the legal regulation of administrative procedure and other public administration procedures. 1918 – 2005. Periplum, 2007, ISBN 978-80-86624-45-7).

their own budget. In addition to municipalities, the Constitution also defined higher territorial self-governing units.[17]

These legislative developments reflected the governments' efforts aimed at implementing a public administration reform. The government drafted and presented to the Chamber of Deputies an important document, entitled Draft concept of the public administration reform. The document comprised three alternative systems of the local public administration organization, specifically:

- Alternative I proposed separating the operation of the public administration and self-governments – i.e. a so-called dual system;
- Alternative II proposed institutional integration of the operation of the public administration and self-governments on the level of regions and district authorities in charge of public administration;
- Alternative III proposed separating the public administration and self-governments at the regional level and integrating the public administration and self-governments at the level of authorized municipal authorities.

The government discussed and passed the concept, later submitting it to the Chamber of Deputies.

The Chamber of Deputies selected Alternative II of the government proposal for the organization of higher territorial self-governing units (Resolution of the Chamber of Deputies no. 268 of the 13th Meeting of 19 May 1999).

In late 1999, the government presented the Chamber of Deputies with many draft laws associated with the public administration reform and implementation of the Constitutional Act on the Establishment of higher self-governing units.[18] This "legislative vortex" (figuratively speaking) documents the extensiveness and complexity of changes that were to take place in connection with the public administration reform.

In 2001, other conceptual materials were prepared in connection with the second stage of the territorial public administration reform. However, talks about the materials were discontinued and the Ministry

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[17] Act no. 1/1993 Coll., the Constitution of the Czech Republic.
[18] This concerned:
Act no. 128/2000 Coll., on Municipalities (Municipal System);
Act no. 129/2000 Coll., on Regions (Regional System); Act no. 130/2000 Coll., on Regional council elections and amendments to certain Acts;
Act no. 131/2000 Coll., on the City of Prague;
Act no. 132/2000 Coll., on Amendment to certain Acts related to the Act on Regions, Act on Municipalities, Act on District Authorities, and to the Act on the City of Prague;
Act no. 147/2000 Coll., on District authorities; and also:
Act no. 157/2000 Coll., on Transfer of certain assets, rights, and obligations from the Czech Republic to Regions;
Act no. 218/2000 Coll., on Budgetary rules and amendments to certain related Acts (Budgetary Rules);
Act no. 219/2000 Coll., on the Property of the Czech Republic and the representation of the Czech Republic in legal relations;
Act no. 220/2000 Coll., on Amendments to certain Acts in connection with the adoption of the Act on the Property of the Czech Republic and the representation of the Czech Republic in legal relations;
Act no. 243/2000 Coll., on Budget allocation of revenue of certain taxes to territorial self-governing units and to certain state funds (Act on Budget Allocation of Taxes);
Act no. 250/2000 Coll., on Budgetary rules for territorial budgets;
Act no. 248/2000 Coll., on Regional development support.

of the Interior of the Czech Republic was in charge of preparing another proposal. 2001 saw another legislative "vortex" – in terms of the discussion on and adoption of certain Acts and/or amendments thereto.[19]

In 2003, district authorities were abolished. Their existing competences were divided between regions and the so-called municipalities with extended competence. The competences of 73 district authorities were transferred to 205 municipalities with extended competence.

2.1.2 Key findings from this period

Therefore, the most important moments in the development of the public administration during the period of 1989 – 2003 may be summed up as follows. The political, legislative, and economic changes – in a word "dismantling" – of the socialist state and its transformation into a democratic state relying on the market economy also required transformation regarding the perception of its role, activities of executive apparatus and institutions, nature and quality of public administration employees, and effectiveness of their work. Czech public administration reforms started immediately after the Velvet Revolution of 1989.

One of the key objectives for the public administration reform in the Czech Republic after 1989 was its decentralization. The renewal of municipal self-governments represented a major step in fulfilling the aforementioned objective. The tradition of municipal self-governments (1849 – 1938) played an important role during the process.

The abolishment of national committees at the regional, district, and local level was an important step in this area following the breakthrough year of 1989.

Another important moment for the development and higher effectiveness of the public administration activities in the Czech Republic was the restoration of the (local) self-government principle – based on adoption of the Act on Municipalities (Municipal System) in 1990.

Different opinions of the Czech and Slovak representation as well as other circumstances and factors resulted in the dissolution of the Czech and Slovak Federative Republic and formation of two independent states. The dissolution process also affected the area of public administration.

The government drafted and presented to the Chamber of Deputies an important document, entitled Draft concept of the public administration reform. The government discussed and passed the concept, later submitting it to the Chamber of Deputies.

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[19] This concerned:
Act no. 231/2002 Coll., on Regions (Regional System), as amended;
Act no. 290/2002 Coll., on Transfer of certain other assets, rights, and obligations from the Czech Republic to Regions and municipalities and on associated changes;
Act no. 321/2002 Coll., on Officers of territorial self-governing units;
Act no. 313/2002 Coll., on the Appointment of municipalities with a delegated municipal office and on the appointment of municipalities with extended competence;
Act no. 320/2002 Coll., on Amendment and repeal of certain Acts in connection with the termination of district authorities.

The Chamber of Deputies selected Alternative II of the government proposal for the organization of higher territorial self-governing units (Resolution of the Chamber of Deputies no. 268 of the 13th Meeting of 19 May 1999).

In connection with the implementation of stage I of the territorial administration reform, the Act on the Establishment of Higher Territorial Self-Governing Units was adopted in 1997. The aforementioned Act came into effect in 2001. The formation of regional level of self-governments in the Czech Republic was also associated with the transfer of certain competences from the central public administration to the regions.

In the course of stage II of the territorial administration reform, activities of district authorities were discontinued in 2002, with municipalities with extended competence being formed. These municipalities were to carry out self-government functions as well as functions associated with the transferred operation of state (public) administration within the given administrative area.

The public administration decentralization was the main priority at that time. Attention was given to local and later to regional levels. As emphasized by experts, the public administration reform in the 1990s mainly focused on local self-governments and territorial public administration.

Although the overall fulfillment of the public administration decentralization objective in the Czech Republic was positive, there were some associated problems. It concerns, for example, a relatively high level of de-concentration in respect of self-government bodies, as the scope of the so-called delegated sphere of authority is extraordinary, even when comparing it to other countries that apply the combined model of public administration performance.[20]

2.2 Development of public administration since 2003

2.2.1 Procedures and steps of reform in this period

In connection with an EU membership application, the Czech Republic undertook to harmonize the national legislation with the Community acquis. Following its accession to the EU in 2004, the Czech Republic immediately had to address the Lisbon Strategy implementation (2000). In 2005, the first National Reform Program of the Czech Republic 2005-2008 was developed. The second National Reform Program was prepared for the period of 2008-2010. As of 2011, the focus of the National Reform Program of the Czech Republic has been in line with the Europe 2020 strategy.

In 2004, a material entitled "Process and main trends of the central public administration reform and modernization" was prepared. The material framed the public administration reform in the following areas:

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[20] Matula, M., Kuba, J. Základní problémy reformy veřejné správy a stav jejich řešení. In Reforma veřejné správy. Sborník příspěvků. Prague: ASPI, a.s., 2007, p. 22. *(Key issues concerning the public administration reform and their current solution status. In Public Administration Reform. Collection of Papers/Proceedings)*

- Rationalization of the central public administration processes;

- Better management within the central public administration;

- Higher quality of the central public administration;

- Implementation and improvement of civil service within the central administration authorities;

- Rationalization of the central public administration funding.

The document was discussed and adopted by the government (Government Resolution no. 237/2004).[21]

„The Government issued on 17 March 2004 the resolution No.237 by which it approved the first conceptual document "The progress and main directions of the reform and modernization of central state administration comprising the solution of the management and organisational support". Its vision is "a flexible and better functioning of central state administration, capable of well reacting to cross-sectoral and global problems".[22]

Another success consisted in the approval of general principles for assessing the impact of regulation (Government Resolution no. 877/2007).

The Regulatory Impact Analysis (RIA) in the Czech Republic relies on good regulatory practice system of the EU, OECD recommendations, and Anglo-Saxon and Dutch experiences.

The key principles of the RIA are as follows: adequacy, responsibility, consistency, transparency, and targeted efforts.[23] The RIA application is formally "guaranteed" by the Ministry of the Interior of the Czech Republic and the Business Council of the Ministry of Industry and Trade of the Czech Republic with regard to business environment and administrative burden of businesses. All central public bodies and authorities are competent and responsible in the Czech Republic.[24]

The "Report on the effect of general principles for the regulatory impact analysis (RIA)" was prepared in connection with the Government's request for assessing the application of the RIA in the Czech Republic as well as associated practice. The Report relied, among others, on data from anonymous questionnaire that took place at 28 central administrative offices in early 2009.

The Report defined strengths and weaknesses of the RIA application, as well as associated opportunities and threats. In the Report recommendations, it is emphasized that ways must be identified for overcoming formal nature of preparing alternatives and impact assessments of the RIA, described as a reason for lower effectiveness of its application.

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[21] See the Concept of finalizing the public administration reform. Ministry of the Interior of the Czech Republic 2012.
[22] Vidláková, O. The reform and modernization of central state administration in the Czech Republic. http://unpan1.un.org/intradoc/groups/public/documents/NISPAcee/UNPAN024319.pdf
[23] Ochrana, F., Pavel, J., Vítek. L. et al. Veřejný sektor a veřejné finance. Grada Publishing, Praha 2010 *(Public sector and public finance)*. The Office of the Government. General principles of the regulatory impact analysis. Annex to Government Resolution no. 877/2007, Prague 2007.
[24] -dtto-

In the last period, it is necessary to mention the preparation of the strategy "Effective public administration and friendly public services: Strategy of implementing Smart Administration in the period of 2007 – 2015". The strategy was prepared by the Ministry of the Interior of the Czech Republic and it was discussed and adopted by the Czech Government in the form of Government Resolution no. 757/2007. The document relies on the analysis of the present state of public administration, defining key issues and formulating strategic goals for achieving higher effectiveness of its operations.

This strategy focused on rationalizing ongoing public administration processes by analyzing existing structures (so-called reengineering) and by examining and describing various competences and functions/roles (redesigning). The implementation of e-Government was supposed to serve as the means for achieving the strategy goals and foreseen outcomes. One of the steps in implementing e-Government was also the adoption of Act no. 11/2009 Coll., on Primary registers.

Another measure consisted in the implementation of the so-called procedural modeling of agendas taking place within public administration. The aforementioned measure was discussed and adopted by the Government (Government Resolution no. 668/2008). This resulted in the launch of the "Procedural modeling of public administration agendas" project financed under the Human Resources and Employment Operational Programme. The key output of the program was the "Methodology of the procedural modeling of public administration agendas" (in line with Government Resolution no. 585/20014).

According to the methodology, public administration bodies could and should model agendas associated with their performance, both on the national and the delegated or self-government level. However, this assumes not only the application of the proposed methodology, but also organization of trainings for public administration employees and preparation of models/templates that should be followed in practice. The reading module of AIS Modelling (https://erpp-aism-pubegon.gov.cz) currently features templates of procedural models of agendas that should serve as reference processes (examples) complying with the approved methodology. Trainings for officials covering procedural modeling should also be taking place. All this should lead to optimization of processes within the performance of various public administration agendas.

Another step in the process, following the "Procedural modeling of agendas" project, is the project entitled "Promoting standards for the performance of public administration agendas". It will result in standards for the performance/execution of individual public administration agendas. These standards will then serve as the so-called best practices.

In July 2015, the Government adopted the "List of priority agendas" and accepted the "Plan for further promotion of procedural modeling and standardization of public administration agendas" (as Government Resolution no. 565/2015). The Ministry of the Interior of the Czech Republic should

ensure methodology and coordination for the process. By 30 April 2016, the aforementioned Ministry should present to the cabinet a summary material entitled "Proposal for promoting the procedural model processing of priority agendas".

In 2011, the Ministry of the Interior of the Czech Republic prepared an analytical document on the state and problems of public administration – at the level of national and local administration. The "Analysis of the current state of public administration" (2011) not only focuses on the key problems in this area, but also provides alternative solutions to such problems. For example, the document identifies the need to define priorities of the public administration performance, application of the quality management methods, improvement of the transparency of its activities, etc.[25] The document was prepared based on Government Decision and Resolution no. 559/2011 on the Basic framework for the concept of finalizing the public administration reform. The objective of the document was to contribute to the reform completion as well as the public administration modernization and higher effectiveness. The government discussed and acknowledged the analysis in the same year (Government Resolution no. 924/2011). Moreover, it was agreed that a draft concept of finalizing the public administration reform, including the schedule of individual measures, would be prepared and presented to the government by mid-2012.

The "Analysis of the current state of public administration" (2011) lists many deficiencies and issues associated with the central public administration. The most serious issues include the nonexistent overview (database) of sphere of authority of individual central administrative authorities/bodies resulting from the relevant legal regulation and particularly from the Constitutional Act no. 1/1993 Coll. and Act no. 2/1969 Coll. (Competence Act).

In this regard, the Ministry of the Interior of the Czech Republic started working on an overview of the sphere of authority pursuant to Act no. 11/2009 Coll., on Primary registers. The point is that increasing agendas and activities at the central public administration level in excess of the scope defined by the above mentioned legal regulations leads to impairment in effectiveness in most cases.

Another issue identified by the "Analysis of the current state of public administration" (2011) is the lack of knowledge of processes leading to the implementation of specific agendas at the level of individual bodies (authorities). Activities within the project "Procedural modeling of agendas" of the Ministry of the Interior of the Czech Republic, together with the project outputs, should contribute to optimizing the performance of these agendas.

Further problem defined by the "Analysis of the current state of public administration" (2011) consists in excessive and redundant bureaucratic burden, not only outwards to individuals and businesses, but also inwards to other public administration stakeholders. For example, the application of methodology

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[25] For more details see "Analysis of the current state of public administration" (2011). Ministry of the Interior of the Czech Republic. MV ČR. http://www.mvcr.cz/clanek/analyza-aktualniho-stavu-verejne-spravy.aspx

of the so-called Standard Cost Model (SCM) to the analysis or assessment/reduction of such public administration burden could contribute to the resolution of this issue. RIA – i.e. Regulatory Impact Analysis – should serve as another instrument, whereas it should already be applied during the stage that precedes the legislative process commencement.

Another problem is the employment (rate) in public administration and the development of this area. The "Analysis of the current state of public administration" (2011) indicates negative trends and the need for rational streamlining thereof, simultaneously with the process of reducing competences, agendas, and level of administrative burden.

According to the "Analysis of the current state of public administration" (2011), the persisting resistance of the central public administration to the application of modern management concepts and methods in their day-to-day work is also problematic.

In connection with the territorial public administration, the "Analysis of the current state of public administration" (2011) lists three problematic areas:

- Existence of territorial (local) units according to Act no. 36/1960 Coll., on the Territorial division of the state (dual regional division, existence of districts, structure);
- Nontransparent and complicated performance of local public administration (municipalities, local government bodies);
- Other deficiencies and issues (status of territorial-administrative units within the NUTS classification, issues associated with small municipalities, public contracts, etc.).

One of the serious issues impairing the effectiveness of public administration in the Czech Republic is the existence of dual definition of regions. Act no. 36/1960 Coll., on the Territorial division of the state, defined 7 regions and 76 districts. According to the Constitutional Act no. 347/1997 Coll., on the Establishment of higher territorial self-governing units, the Czech Republic features 14 higher territorial self-governing units – i.e. 13 regions and the City of Prague. This is not only illogical, but also an issue of ensuring effective public administration operations.

The existence of the old classification is defended by the need to define the territorial jurisdiction of regional courts, regional public prosecutor's offices, and local offices of the Office for Government Representation in Property Affairs.

The accession of the Czech Republic to the EU was also associated with the need to create the NUTS classification. The classification is of statistical nature in the Czech Republic. Self-governing regions are not NUTS II units.

The situation concerning districts, as defined by Act no. 36/1960 Coll., is also problematic. The definition of some districts was unsuitable even at the time it was being prepared, for example due to the failure to respect natural catchment areas of the territory. Districts were to be abolished within the

second stage of the territorial public administration reform. However, it only abolished the district authorities, which were replaced by administrative areas of municipalities with extended competence. The arguments for preserving districts as territorial division units are identical to arguments for preserving regional division pursuant to Act no. 36/1960 Coll. (see above).

Deficiencies of the dual division are also reflected in improper structure (or the lack of) territorial-administrative units. This concerns situations, where territories of lower territorial-administrative units do not correspond to the borders of higher territorial-administrative units.

One of the important issues of effective public administration performance in the Czech Republic is the so-called territorial structure. The underlying principle is as follows: lower-level administrative units must adhere to and not exceed the administrative borders of higher-level administrative units. This is presently not the case in the Czech Republic. It results from the existence of dual regional division in compliance with Act no. 36/1960 Coll., on the Territorial structuring of the state, currently in full force and effect, and in compliance with the Constitutional Act no. 347/1997 Coll., on the Establishment of higher territorial self-governing units. The territorial division into districts is still in force, although no district authorities exist as of 2003. Since some government institutions still use district-based principals for their structure/organization (i.e. principles, according to which individual districts are not defined by integral administrative areas/units of municipalities with so-called extended competences, but by individual municipalities), citizens experience problems when communicating with individual authorities/offices and handling various matters.[26]

The Ministry of the Interior of the Czech Republic must prepare an analysis of the administrative structure of the state that should serve as the basis for identifying the optimal territorial structure and better access to public administration authorities by people.

With regard to the nontransparent and complicated performance of local public administration within the territory, as the second category of problems of the territorial public administration defined by the "Analysis of the current state of public administration" (2011), the problems are mainly associated with the variety of municipalities and their differences. In terms of the performance of public (state) administration as part of the delegated sphere of authority, the "Analysis of the current state of public administration" (2011) defined 14 categories of municipalities in total. This situation is not only unsystematic, but above all nontransparent and complicated for the general population.[27]

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[26] As stated by D. Sláma, residents of Radostín – i.e. a municipality within the Liberec Region that falls under Turnov as the relevant municipality with extended competence - may apply for their ID cards and other documents or handle various matters of the Trade Licensing Office or Building Authority in Turnov. However, if they wish to deal with Labor Office matters, they must go to Český Dub; the competent Cadastral Office or office of the Czech Social Security Administration is in Liberec. The Registry Office for residents of Radostín is located in Sychrov. (see Sláma, D. Territorial structure of public administration. Public administration journal. Available at http://denik.obce.cz/clanek.asp?id=6704269).

[27] For more details see "Analysis of the current state of public administration" (2011). http://www.mvcr.cz/clanek/analyza-aktualniho-stavu-verejne-spravy.aspx

The third group of problems of the public administration performance according to the "Analysis of the current state of public administration" (2011) comprises issues associated with small municipalities. The main reason is the high number of small municipalities with population of up to 500 existing in the Czech Republic. This concerns 56 % of all municipalities; however, only 7.9 % of the total population, whereas these municipalities occupy more than 1/3 of the total area of the Czech Republic.[28] Therefore, it is not surprising that these municipalities have problems with the performance of public administration as well as their self-governing activities and funding.

In 2012, the "Analysis of the current state of public administration" was followed by another material: "Concept of finalizing the public administration reform". The concept should have defined further direction for the public administration development in the Czech Republic.[29]

The "Concept of finalizing the public administration reform" (2012) targets three main areas, specifically:

- Public administration modernization;
- Territorial public administration;
- Funding the performance of public administration as part of delegated sphere of authority.

In addition to the aforementioned problems, there are many other long-term problems, such as high density of municipalities and the associated fragmentation of territorial public administration. The concept has not been discussed and adopted by the government.

Due to the absence of any conceptual framework for further development of public administration following the completion of the Smart Administration Strategy (in 2015), another document was prepared – Strategic framework for the public administration development in the Czech Republic for the period of 2014 - 2020 (2014). The document was prepared by the Ministry of the Interior of the Czech Republic.

The reasoning part of the document states that – in spite of implementing several reforms, in spite of many strategic documents, concepts, and action plans being prepared and implemented – the public administration in the Czech Republic continues to face consequences of the failure to complete (or of the formal implementation, as appropriate) the "Public administration reform concept" of 1999.[30]

The "Strategic framework for the public administration development in the Czech Republic for the period of 2014-2020" also states that it was the failure to complete the 1999 reform in full that has worsened the existing problems and, in some cases, led to emergence of other weaknesses (perhaps

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[28] For more details see "Analysis of the current state of public administration" (2011). http://www.mvcr.cz/clanek/analyza-aktualniho-stavu-verejne-spravy.aspx
[29] For more details, see the Concept of finalizing the public administration reform. Ministry of the Interior of the Czech Republic, Prague 2012, as well as the Strategic framework for the public administration development in the Czech Republic for the period of 2014-2020. Ministry of the Interior of the Czech Republic, Prague 2014. http://www.mvcr.cz/clanek/strategicky-ramec-rozvoje.aspx
[30] See the "Strategic framework for the public administration development in the Czech Republic for the period of 2014-2020", as drafted by Resolution no. 21-2015. http://www.mvcr.cz/clanek/strategicky-ramec-rozvoje.aspx

due to various unsystematic changes and interventions taking place). This is the reason for the underperformance of the public administration effectiveness in the Czech Republic compared to the European Union and some of its Member States.[31]

The key goals of the strategic framework comprise:

- Ensuring continuity of the public administration development;
- Defining other directions of such development and investments in selected areas of public administration during the programing period of 2014 – 2020;
- Ensuring the fulfillment of conditions for utilizing resources from the European funds.

All this within the intentions of the existing knowledge within the international context and examples of best practice. The focal point of the document is higher quality, effectiveness, and transparency of public administration in fulfilling the principles of de-concentration, decentralization, and subsidiarity.

It should be noted that the Strategic framework partly builds on the document entitled "Analysis of the current state of public administration" as well as on a number of other analyses and reports from the area of public administration (e.g. Report on the project implementation with effect on reducing citizens' administrative burden, Analysis of the public (state) administration performance for municipalities with the basic scope of the delegated sphere of authority, Report on the assignment of administrative agendas carried out by municipalities as part of their delegated sphere of authority under public contracts, Report on the effect of general principles for the regulatory impact analysis (RIA), and other documents).[32] Since the Strategic framework did not include a plan for implementing individual stages (steps), the Ministry of the Interior of the Czech Republic is to prepare detailed plans of implementing various activities in connection with the Strategic framework, including the definition of responsibility, liability, schedule, budgets, and procedures.[33] Following the completion of the "Smart Administration" implementation, it is necessary to assess the costs and benefits thereof, and all of these inputs should then be reflected in various concepts and procedures of the Strategic framework for the public administration development. The Strategic framework is expected to be revised in 2016. Following 2020, the document should either be updated or superseded by a new document. [34]

Another measure aimed at promoting the effectiveness and professionalism of the public administration performance was the adoption of the Civil Service Act no. 234/2014 Coll., on Civil Service (i.e. the "Civil Service Act"), which superseded the original Act no. 218/2012 Coll., on the Service of civil servants in the administration and on the remuneration of these employees and other

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[32] Selected documents will be discussed in other parts of this study.
[33] See the "Strategic framework for the public administration development in the Czech Republic for the period of 2014-2020", as drafted by Resolution no. 21/2015. http://www.mvcr.cz/clanek/strategicky-ramec-rozvoje.aspx
[34] -dtto-

employees of the administration.[35] The new Act came into existence on the basis of an amendment in discussing the draft amendment to Act of 2002. However, following an agreement of the coalition and the opposition, the new Act was ultimately adopted. The Chamber of Deputies of the Parliament of the Czech Republic even had to override a Presidential veto. The given Act came into force on 1 January 2015.

By adopting the Act, the Czech Republic complied with requirements imposed by the European Union, following a prolonged period of criticism by the EU. The Act comprehensively governs the so-called civil service, including issues relating to "employment" of civil servants, organizational matters of such service, remuneration, etc.

According to the new Act, a Deputy Minister of the Interior for Civil Service acts as the supreme official; each Ministry now has an office of the so-called state secretary in charge of personnel agenda. The issue of the so-called political deputies, to which the Civil Service Act does not apply, became a bone of contention. In this connection, President M. Zeman filed a complaint with the Constitutional Court.

The "transformation" of the existing system into a new regime according to the new Civil Service Act has been postponed by six months compared to the original proposal – to 1 July 2015. All civil servants that comply with the preconditions of the Act thus qualified for hiring under civil service.

The Act particularly strives to improve the effectiveness of the public administration performance and achieve higher level of its professionalization.

Officials of territorial self-governing units (municipalities and regions) are subject to Act no. 312/2002 Coll., on Territorial self-governing units' officials. The Act came into effect on 1 January 2003 already. The Act governs the working relations and education/training requirements for officials of territorial self-governing units.

One argument for implementing the proposed measures is, *inter alia*, the international comparison and assessment of the situation and performance of public administration in the Czech Republic – particularly within the EU. Therefore, in terms of the comparison of Government Effectiveness, the Czech Republic ranked 18th of the 28 EU Member States. With regard to the use of e-Government services, the Czech Republic ranked 23rd of the 28 states in question; in terms of the application of processes of strategic human resources management in the central public administration, the Czech Republic ranked 17th of the 20 assessed EU Member States. [36]

With regard to the Global Competitiveness Index (GCI) of the Global Economic Forum, the Czech Republic ranked 37th of 144 countries included in the assessment. Poland ranked 43rd, with Hungary

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[35] The Constitution of the Czech Republic mentions a similar act; however, it was not adopted until 2002, with force from 2004. The force has been postponed several times, last to 1 January 2015.
[36] See European Commission - Quality of Public Administration. http://ec.europa.eu/europe2020/making-it-happen/key-areas/index_en.htm

and Slovakia 60th and 75th, respectively. Particularly interesting are results according to individual indicators and sub-indicators of the index. For instance, with regard to the Institutions indicator, the Czech Republic ranked 76th (with Poland being at no. 56, Hungary at no. 83, and Slovakia at no. 110). However, the worst situation exists with regard to the Ethics and Corruption sub-index, with the Czech Republic ranking no. 101 (with Poland being at no. 56, Hungary at no. 93, and Slovakia at no. 122).

The data should also be considered with regard to the effectiveness of the public administration performance. According to the Burden of Government Regulation indicator, the Czech Republic ranked 132nd (with Poland: 117, Hungary: 129, and Slovakia 137)[37].

2.2.2 Key findings from this period

Czech Republic's entry into the EU in the year 2004 is not only a new stage in the development of public administration but also a number of steps to its modernization.

In 2004, a material entitled "Process and main trends of the central public administration reform and modernization" was prepared.

Another success consisted in the approval of general principles for assessing the impact of regulation (Government Resolution no. 877/2007).

In the last period, it is necessary to mention the preparation of the strategy "Effective public administration and friendly public services: Strategy of implementing Smart Administration in the period of 2007 – 2015". The document relies on the analysis of the present state of public administration, defining key issues and formulating strategic goals for achieving higher effectiveness of its operations.

The implementation of e-Government was supposed to serve as the means for achieving the strategy goals and foreseen outcomes. Another measure consisted in the implementation of the so-called procedural modeling of agendas taking place within public administration. The key output of the program was the "Methodology of the procedural modeling of public administration agendas".

Another step in the process, following the "Procedural modeling of agendas" project, is the project entitled "Promoting standards for the performance of public administration agendas".

In July 2015, the Government adopted the "List of priority agendas" and accepted the "Plan for further promotion of procedural modeling and standardization of public administration agendas".

In 2011, the Ministry of the Interior of the Czech Republic prepared an analytical document on the state and problems of public administration – at the level of national and local administration. The "Analysis of the current state of public administration" (2011).

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[37] The Global Competitiveness Report 2014–2015. World Economic Forum. 03 Sep 2014 http://www.weforum.org/reports/global-competitiveness-report-2014-2015

The "Analysis of the current state of public administration" (2011) lists many deficiencies and issues associated with the central public administration:

- The nonexistent overview (database) of sphere of authority of individual central administrative authorities/bodies;
- The lack of knowledge of processes leading to the implementation of specific agendas at the level of individual bodies (authorities);
- The excessive and redundant bureaucratic burden, not only outwards to individuals and businesses, but also inwards to other public administration stakeholders;
- The employment (rate) in public administration and the development of this area;
- The persisting resistance of the central public administration to the application of modern management concepts and methods in their day-to-day work is also problematic.

In connection with the territorial public administration, the "Analysis of the current state of public administration" (2011) lists three problematic areas:

- Existence of territorial (local) units according to Act no. 36/1960 Coll., on the Territorial division of the state (dual regional division, existence of districts, structure);
- Nontransparent and complicated performance of local public administration (municipalities, local government bodies);
- Other deficiencies and issues (status of territorial-administrative units within the NUTS classification, issues associated with small municipalities, public contracts, etc.).

Due to the absence of any conceptual framework for further development of public administration following the completion of the Smart Administration Strategy (in 2015), another document was prepared – Strategic framework for the public administration development in the Czech Republic for the period of 2014 - 2020 (in 2014).

Another measure aimed at promoting the effectiveness and professionalism of the public administration performance was the adoption of the Civil Service Act. no. 234/2014 Coll., on Civil Service (i.e. the "Civil Service Act"), which superseded the original Act no. 218/2012 Coll., on the Service of civil servants in the administration and on the remuneration of these employees and other employees of the administration.[38]

Officials of territorial self-governing units (municipalities and regions) are subject to Act no. 312/2002 Coll., on Territorial self-governing units' officials. The Act came into effect on 1 January 2003 already. The Act governs the working relations and education/training requirements for officials of territorial self-governing units.

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[38] The Constitution of the Czech Republic mentions a similar act; however, it was not adopted until 2002, with force from 2004. The force has been postponed several times, last to 1 January 2015.

3. Critical assessment of implemented reforms

How can we assess the past quarter of a century in terms of the public administration development within the territory of the existing Czech Republic? What about individual attempts aimed at reforming the given area? How can we evaluate the impact of such attempted reforms on the public administration effectiveness and its professionalization, as well as the impact of such reforms on individuals, businesses, or the non-profit sector? How can we describe the present situation – not only in terms of the position of national entities, but also in comparison to other member states of the Visegrad Group and the European Union?

There are many questions relating to the assessment of reforms in the Czech Republic, after a very long time. It can be noted that the whole period took place as a single extensive reform or rather as transformation of society on its journey from one historical politico-economic system to a radically different socioeconomic system.

In assessing the past evens and changes, we should also remember the fact that several key moments relevant in terms of the history of Czechoslovakia took place during the period, such as:

- Transformation from a socialist state into a transforming democratic state that relies on the market economy following the Velvet Revolution events in 1989;
- Dissolution of Czechoslovakia following 74 years of existence into two independent countries – Czech Republic and Slovak Republic – as of 1 January 1993;
- Accession of the Czech Republic to the European Union in 2004.

Each of the aforementioned events had a significant effect on the situation in the area of public administration and each of such events resulted in certain reformatory initiatives and measures. We could say that there were always some public administration reforms going on throughout the given period (after 1989): more or less conceptual, more or less successful, more or less elaborate.

Advocates of the hard core critics of public administration reforms would definitely describe the sum of the attempted reforms that have taken place in the given area as half-baked ones. And this claim would be confirmed in many aspects by a chronological analysis of processes in the given period.

However, we will try to assess these reforms objectively and correctly – both in terms of their objectives, focus, and conceptuality, and in terms of their effects on individuals, businesses, and non-profit sector. We should emphasize that some radical change took place in all of the above defined periods. For example, revolutionary transformation of the political and economic system took place in the Czech Republic after 1989, also resulting in a fundamental change of the state (public) administration at all levels (national, territorial, local) – with corresponding legislative support and administrative changes in administration. The situation during the period represented similar revolution as the formation of the First Czechoslovak Republic 70 years earlier. In 1918, the social,

political, and economic orientation of the country's founders aimed at forming an independent country that would rely on democratic and market principles. In order to achieve these goals after 1989, it was necessary to overcome the country's socialist system and its legislative, administrative, and economic principles that had been being promoted for more than 40 years. And this may be the key to clarifying not only the plans and objectives of the reformatory measures in the area of public administration, but also to clarifying their course, duration, as well as their pending (or incomplete) nature.

The political, legislative, and economic changes – in a word "dismantling" – of the socialist state and its transformation into a democratic state relying on the market economy also required transformation regarding the perception of its role, activities of executive apparatus and institutions, nature and quality of public administration employees, and effectiveness of their work. And it is a very challenging and prolonged transformation that is not always absolutely clear. We must understand that people, who were born into the new social conditions, are only 26 years old, and while organizational-administrative and legislative changes may be relatively quick, changes in the thinking of people, overcoming the traditional models and pattern, as well as changes in the perception of reality, require much ground to be covered.

Two more factors also determined potential success or failure of public administration reforms, specifically the "heritage" of the former regime regarding the legislation, structure, and organization of the state administration, and the fact that, post-1989, there were no new-generation officials in the Czech Republic, with the training and education of such officials only starting.

Some authors distinguish the following two aspects in terms of the public administration transformation in the Czech Republic after 1989:

- The first aspect relates to the rejection of immediate ideological effects on public administration as well as to personal and organizational changes;
- The second aspect relates to establishing a long-term process comparable to the public administration functioning in developed democratic countries.

While these authors describe the first aspect as a short-term one when it comes to its implementation, the second aspect is viewed as a long-term process comprising many procedures and methods of public administration operation with a view to apply principles of democracy, legally consistent state, administrative culture, ethics, etc. – i.e. development of a long-term foundation of public administration activities.[39]

The most significant changes in the area of public (state) administration after 1989 include the abolishment of National Committees and the restoration of self-governing municipalities (1990). Unfortunately, there was no public administration reform concept on the federal or national level at

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[39] Matula, M., Kuba, J. Základní problémy reformy veřejné správy a stav jejich řešení. In Reforma veřejné správy. Sborník příspěvků. Prague: ASPI, a.s., 2007, p. 10. *(Key issues concerning the public administration reform and their current solution status. In Public Administration Reform. Collection of Papers/Proceedings)*

that time. Some elements (but only in the form of mere proclamations) may be traced in the Policy Statements of the Governments of 1992 and later of 1996. However, there was no overall concept for practical implementation of such plans.

Some authors believe that the potential of decentralization and de-concentration in terms of the optimization of relations between the central and the local (territorial) administration was not fully used.[40]

Although various analyses were prepared by the Office for Legislation and Public Administration (in the period of 1992 - 1996) and the Ministry of the Interior of the Czech Republic with regard to reforms of the territorial administration and self-administration, central public administration or civil service, these materials were not discussed by the Government.

International criticism was getting stronger. For example, "Agenda 2000" states the following: "Since 1990 consecutive Czech(oslovak) governments have given low priority to the necessary reform and modernization of the public administration…. The lack of any substantial or coherent plan for public administration modernization is the single greatest cause for concern in this field. Such measures as have been taken are thoroughly inadequate in the face of the important problems which require resolution….a wide ranging reform process will need to be instigated and sustained if the Czech Republic is to establish a civil service of the overall quality, level of training, motivation and flexibility required on the country's path to further economic and social development, and membership of the European Union."[41]

The findings of an expert study assessing the situation in the field of public administration in countries of Central and Eastern Europe, commissioned by the European Commission.[42] In assessing the preparedness to apply ACQUIS (as of 15 July 1997), the European Union included the Czech Republic in a group of countries that must make significant and constant reform.[43]

In 1997, the Constitutional Act on the Establishment of higher territorial self-governing units (effective from 2000). Moreover, a PHARE project "Public Administration Improvement – Phase 1", carried out by the National Training Fund, commenced in 1997. The objective of the project was to introduce issues relating to the public administration reform concept into the discussion and contribute to a draft strategy for its further development.[44]

Although the developments during the period brought many positives, the authors of this analysis agree that reasons for the area of public administration falling behind were associated with the lack of

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[40] Matula, M., Kuba, J. Základní problémy reformy veřejné správy a stav jejich řešení. In Reforma veřejné správy. Sborník příspěvků. Prague: ASPI, a.s., 2007, p. 13. *(Key issues concerning the public administration reform and their current solution status. In Public Administration Reform. Collection of Papers/Proceedings)*
[41] Národní vzdělávací fond. Analýza veřejné správy ČR. (Analysis of the Czech public administration) http://old.nvf.cz/archiv/versprava/analyza/obsah.htm
[42] The study was published by EIPA, August 1997.
[43] Národní vzdělávací fond. Analýza veřejné správy ČR. (Analysis of the Czech public administration) http://old.nvf.cz/archiv/versprava/analyza/obsah.htm
[44] See the „Analysis of the Czech public administration". National Training Fund. http://old.nvf.cz/archiv/versprava/analyza/obsah.htm

political will as well as the quality and actual applicability of presented reform proposals, insufficient communication between and within authorities, continuing orientation on resorts, imperfect legislation, etc.

The Concept of the Public Administration Reform, adopted by the Government in 1999, was supposed to represent a major turning point. The Concept was discussed by the Chamber of Deputies, with alternative II of the so-called integrated public administration model being selected. The objective of the reform was to improve the quality of and modernize the public administration performance and to bring it closer to people. The reform should have resulted in maximum decentralization and de-concentration of the public administration performance.

In connection with the Concept of the Public Administration Reform (1999), many legislative and organizational-administrative changes occurred that were supposed to contribute to the achievement of the reform objectives in the following three basic areas:

- Territorial public administration;
- Central state (public) administration;
- Modernization and higher effectiveness of public administration.

Even though the implementation of the first and partial implementation of the second area contributed to the establishment of a system based on the integrated public administration performance model, the reform pursuant to the 1999 concept was not finalized, particularly with regard to central state (public) administration and in terms of the modernization and quality improvement of administration.[45] This leads to the criticism and the reform process as well as the underperformance of public administration in the Czech Republic, also within international comparison.

„Although the structure of the government and central state administration also changed several times during the 1990s, either by the creation of new ministries and/or by the cancellation of some existing ministries, these reforms were not systematic and were made ad hoc in accordance with the origin of needs or the formulation and implementation of needs by the individual members of the government.“[46]

„If public management reforms in the new EU member states were heavily influenced by the prospect of EU membership, it is no longer true in the post-accession period. Following their accession to the EU the ex-ante control of the European Commission was replaced with much weaker instruments of the ex-post control in the case of non-implementation or delayed implementation.“[47]

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[45] For more details, see "Strategic framework for the public administration development in the Czech Republic for the period of 2014-2020". http://www.mvcr.cz/clanek/strategicky-ramec-rozvoje.aspx
[46] Vidláková, O. The reform and modernization of central state administration in the Czech Republic. http://unpan1.un.org/intradoc/groups/public/documents/NISPAcee/UNPAN024319.pdf
[47] Bouckaert, G., Nakrošis, V., Nemec, J. Public administration and management reforms in CEE: main trajectories and results. Gb JN VN NISPA Journal final.

„The political zig-zags of the reform process in CEE states could be explained by the status of their political systems and their governments."[48] „The post-communist political systems have not been consolidated in the Western sense of democracy and market economy."[49]

Territorial organization of public administration is an important factor to its effective operation and functioning. In this regard, we can mention two historical territorial/administrative reforms, specifically the 1949 reform and the 1960 reform. According to some authors, the 1949 reform respected the natural micro regions and mesoregions more than the 1960 reform.[50] Moreover, municipalities were integrated during the 1970s and 1980s, with the number of municipalities decreasing by 1/3 during the process, which resulted in other various problems in public administration execution.

However, it does not mean that the problems of the territorial organization of public administration were resolved after the establishment of higher territorial self-governing units (1 January 2001). Parallel existence of two territorial-administrative systems continued, partly due to financial burden associated with moving some administrative authorities and courts.

Accession of the Czech Republic to the EU was very important in terms of the central public administration reform and modernization.[51]

Many analysts emphasize the fact that the early stages of the Czech public administration reform mainly consisted in reform processes targeting its organization, as the public administration reform in terms of its contents is not only more complicated, but also requires more time. Such reform assumes that stable environment is formed for public administration, together with efforts in the area of creativity, qualification, objectivity, legal compliance, de-bureaucratization, and higher effectiveness of administration. Therefore, it is not enough to simply issue a collection of acts of legislative and organizational nature.[52]

Analysts agree that the public administration reform in the Czech Republic has been much more successful on the territorial level than on the central level. One of the reasons for such situation is the historical development – during the period of Austria-Hungary and the First Republic, as the public

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[48] Bouckaert, G., Nakrošis, V., Nemec, J. Public administration and management reforms in CEE: main trajectories and results. Gb JN VN NISPA Journal final.
[49] Linz, J. J., Stepan, A. C. (1996) Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe. Baltimore: Johns Hopkins University Press
[50] Matula, M., Kuba, J. Základní problémy reformy veřejné správy a stav jejich řešení. In Reforma veřejné správy. Sborník příspěvků. Prague: ASPI, a.s., 2007, p. 23. *(Key issues concerning the public administration reform and their current solution status. In Public Administration Reform. Collection of Papers/Proceedings)*
[51] Vidlaková, O. (2006). The Reform and Modernization of Central State Administration in the Czech Republic. http://unpan1.un.org/intradoc/groups/public/documents/NISPAcee/UNPAN024319.pdf)
[52] Matula, M., Kuba, J. Základní problémy reformy veřejné správy a stav jejich řešení. In Reforma veřejné správy. Sborník příspěvků. Prague: ASPI, a.s., 2007, p. 11. *(Key issues concerning the public administration reform and their current solution status. In Public Administration Reform. Collection of Papers/Proceedings)*

administration reform has – first and foremost - always been linked with the territorial administration and territorial/administrative organization reform.[53]

The "Analysis of the current state of public administration", prepared by the Ministry of the Interior of the Czech Republic and discussed and acknowledged by the Government of the Czech Republic (Resolution no. 924/2011) was also important for the public administration reform implementation. Although the aforementioned Analysis was followed up by the "Concept of finalizing the public administration reform" in 2012, the Concept was neither discussed nor adopted by the Government. Consequently, the "Strategic framework for the public administration development in the Czech Republic for the period of 2014 – 2020" was later prepared (Resolution no. 21/2015).

In July 2015, the Government of the Czech Republic adopted the "List of priority agendas" and accepted the "Plan for further promotion of procedural modeling and standardization of public administration agendas", including the Proposed Funding of the Plan under the Employment Operational Programme. By the end of April 2016, the Ministry of the Interior should have presented a summary material entitled "Proposal for promoting the procedural model processing of priority agendas".

Another measure aimed at promoting the effectiveness and professionalism of the public administration performance was the adoption of the Civil Service Act.

By adopting the Act, the Czech Republic complied with requirements imposed by the European Union, following a prolonged period of criticism by the EU. The Act comprehensively governs the so-called civil service, including issues relating to "employment" of civil servants, organizational matters of such service, remuneration, etc.

The new Act came into existence on the basis of an amendment in discussing the draft amendment to Act of 2002. However, following an agreement of the coalition and the opposition, the new Act was ultimately adopted. The Chamber of Deputies of the Parliament of the Czech Republic even had to override a Presidential veto. The given Act came into force on 1 January 2015.

One of the issues relating to the public administration effectiveness is the coordination of activities within individual strategies, reforms, and procedures. In August 2007, the Government adopted the formation of a Panel for Regulatory Reform and Effective Public Administration, as a conceptual and coordination council for promoting public administration reforms. In 2007, the Government Council for Competitiveness and Information Society was established as an expert advisory body to the Government of the Czech Republic. This Council, too, should have acted as an interdepartmental coordinator in the aforementioned areas. However, due to insufficient activity of the Council, it was

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[53] Matula, M., Kuba, J. Základní problémy reformy veřejné správy a stav jejich řešení. In Reforma veřejné správy. Sborník příspěvků. Prague: ASPI, a.s., 2007, p. 11. *(Key issues concerning the public administration reform and their current solution status. In Public Administration Reform. Collection of Papers/Proceedings)*

dismissed, with two new Government Councils being formed: the Government Council for Information Society and the Government Council for Competitiveness and Economic Growth.

The main responsibility of the Government Council for Information Society (see Resolution no. 961/2014) covers activities associated with the development of public administration and e-Government. The Council is headed by the Minister of the Interior of the Czech Republic.

In 2014, the Government adopted – together with the approval of the Strategic framework for the public administration development - the formation of the Government Council for Public Administration, as an expert advisory body headed by the Minister of the Interior. According to a report of the Supreme Audit Office (of 29 June 2013), supra-departmental coordination and interdepartmental communication must be ensured to further improve the effectiveness of public administration bodies.

4. Best practices and recommendations for implementation in the V4 countries

Even though the Czech Republic is criticized for excessive bureaucratic burden, business environment complexity, low transparency of the administrative area for people or corruption in this area, quite a lot has been done in this field. Consequently, a number of good practice examples may also be identified in the Czech Republic. We will mention some of these examples below. However, it is debatable if and how they could be useful for other countries of the Visegrad Group. It is necessary to know the changes that have taken place in the area of public administration in these countries after 1989, as well as the current state, standard, and quality of the administration.

With regard to good practice examples in the field of public administration, mainly the following are notable: improvements in the quality of the administration functioning (1), public administration electronization, and innovations stemming from e-Government (2). Let's focus first on the area of increasing the quality of public administration.

The National Quality Policy is a comprehensive program that covers methods and tools aimed at improving the quality of national economy and public administration (Government Resolution no. 458/2000). The Quality Council of the Czech Republic, supervised by the Ministry of Industry and Trade of the Czech Republic, is the competitive body for the program. The National Information Center for Quality Promotion has been established in connection with the program (as part of the Czech Society for Quality). The aforementioned Center not only fulfills various goals and objectives set down under the National Quality Policy, but also operates an information server about activities carried out under the aforementioned concept.[54] This also comprises the annual National Quality Award as well as the National Award of the Czech Republic for Corporate Social Responsibility. Since 2006, the National Quality Awards are presented for both the business sector and the public

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[54] See www.npj.cz

sector. The award process relies on the Excellence Model (EFQM). As of 2009, the START and the START Plus programs have been included in the National Quality Award of the Czech Republic initiative, with the START EUROPE program added in 2014.

One of the possible instruments for the public sector quality assessment is the CAF model that is based on experience with the EFQM Excellence Model. The aforementioned model was first introduced in 2000, with subsequent revisions in 2002 and 2006. The latest version - CAF 2013 – is better adapted to analyzing the public sector, resulting from intensive cooperation of users in EU Member States.[55] In order to fulfill the National Quality Policy strategy, the Public Administration Quality specialized section was formed (one of the specialized sections of the Quality Council of the Czech Republic). The section members include representatives of public administration authorities, territorial self-governing units, non-governmental organizations, and individuals with experience in the field of public administration.[56] One of the objectives for achieving higher quality is the so-called corporate social responsibility (CSR). There are different methods for measuring CSR, such as: OECD Guidelines for Multinational Enterprises (OECD), ISO 26000 (International Organization for Standardization), AA1000 Account ability/Assurance Standard (nonprofit – England), SAN Ltd. (Social Audit Network – nonprofit, England), ETHIBEL (social audits), ETHIBEL QUALITY Label (Belgium), EFQM (Excellence Model), SA 8000 – SAI - Social Accountability International – (nonprofit, USA) – certification system, Global Reporting Initiative (GRI), National Program for Assessing the CSR System (Czech Republic).[57] An original method – KORP (after the name of the cooperating organization "Sdružení korektní podnikání") – was developed in the Czech Republic for the purpose of internal and external CSR assessments. The method was verified in 2007 and has been used for the purpose of the National Award of the Czech Republic for Corporate Social Responsibility since 2009. When drafting the method, inspiration was taken from the procedures under the Sustainability Reporting Guidelines, EFQM Excellence Model, and the CAF 2013 methodology (Common Assessment Framework).

The Liberec Region received the Quality Award of the Czech Republic for the area of Public Sector pursuant to the START Plus model, also receiving the "Successful Organization" award in 2013.

Prague 13 Municipal District: The Municipal District Office received award under the CAF Program "Excellent Organization". The award for corporate social responsibility was presented to the South Moravian Regional Authority. Moreover, it was the first authority in the Czech Republic with a certified CSR system. The Regional Authority strives to involve citizens in public administration –

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[55] For more details see the Common Assessment Framework (CAF model). Improving public sector organizations through self-evaluation. CAF 2013. National Information Center for Quality Promotion, 2013. ISBN 978-80-02-02472-9. www.npj.cz/soubory/publikace/93.pdf.

[56] See the National Quality Program 2015. National Information Center for Quality Promotion. ISBN 978-80-02-02591-7. www.npj.cz/soubory/publiakce/NPK%20rocenka%202015%20cb%20nahled.pdf.

[57] Plášková, A., Ryšánek, P. Společenská odpovědnost (CSR). Hodnocení CSR organizací veřejného sektoru v programu Národní ceny ČR za společenskou odpovědnost. Národní informační středisko podpory kvality. ISBN 978-80-02-02435-4. www.npj.cz/soubory/dokumenty/89vs.pdf *(Corporate Social Responsibility (CSR). Assessing CSR for public sector organizations as part of the National Award of the Czech Republic for Corporate Social Responsibility program. National Information Center for Quality Promotion.)*

under various initiatives, such as "Your region, your budget", where people may express their views on the regional budget in the course of its preparation. There are also activities aimed at fighting corruption (such as web portal Krajbezkorupce.cz, anticorruption hotlines, etc.) as part of the Region's own Anticorruption Strategy. The Region undertakes other activities in the environmental and social area. Transparent communication with citizens is also promoted by annual surveys assessing the satisfaction of citizens, municipalities, public-benefit organizations/corporations, and members of the South Moravian Regional Council.

The priority axis "Stable and safe society" of the "Strategic Framework for Sustainable Development in the Czech Republic" (2010) emphasizes the importance of effective public administration and self-governments as one of the key preconditions to functioning society. With regard to partial goals associated with the aforementioned priority axis, the strategy mainly defines tasks and objectives in the area of human resources development, e-Government, cooperation of the public administration and the non-profit sector, etc.[58]

The "National Reform Program of the Czech Republic 2015" is a document presented by the Czech Republic to the European Commission each year, in connection with the so-called European Semester. It is a method for coordinating economic policies of individual EU Member States in achieving the Europe 2020 strategy.

In the last revision of 2015, substantial attention was devoted to public administration and its effectiveness, both in connection with the force of the Civil Service Act and promotion of fight against corruption, and in connection with public contracts and administration/management of EU funds. The document accentuates the importance of the "Strategic framework for the public administration development in the Czech Republic for the period of 2014-2020" adopted by the Government (including the area of e-Government).

The "International Competitiveness Strategy of the Czech Republic for the period of 2012-2020" is a very extensive document, which – above all – strives to improve the situation and position of the Czech Republic within international comparison. The concept comprises nine pillars, with the "Institutions" pillar being one of them. The concept states that the Czech Republic is falling behind developed countries of the EU and the OECD in this field, mainly due to ineffectiveness of institutions, excessive regulation, and corruption. The key goals in this area are as follows: systemization and better functioning of public administration, and achievement of its higher professionalism and effectiveness.[59]

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[58] For more details see the "Strategic Framework for Sustainable Development in the Czech Republic" (2010). www.databaze-strategie.cz/cz/uradvlady/strategie/strategický-ramec-udrzitelneho-rozvoje-cr-2010?typ=struktura
[59] For more details see the "International Competitiveness Strategy of the Czech Republic for the period of 2012-2020" at www.databaze-strategie.cz/cz/mpo/strategie/strategie-mezinarodni-konkurenceschopnost-české-republiky-pro-obdobi-2012-2020

The Ministry of Regional Development of the Czech Republic prepared the "Principles of Urban Policy of the Czech Republic" (2010) for the period of 2010-2013. The conceptual material formulates the future trends of the public administration with regard to cities, with a view to promote their sustainable development.[60]

The "Agenda 21" document was adopted at the 1992 UN Summit, as a plan for achieving global sustainable development – with local public administration to play an important role in the project. In 2012, the "Concept of Promoting the Local Agenda 21 in the Czech Republic by 2020" was adopted (Government Resolution no. 30/2012). The material defines various forms of support for Local Agenda 21, such as financing, education, evaluations, etc.[61] In 2003, the Government Council for Sustainable Development was formed in the Czech Republic (RVUR). Specific criteria were defined for the purpose of measuring quality under Local Agenda 21. There is an official database of the Local Agenda 21 that monitors the fulfillment of such criteria by several cities and regions in the Czech Republic. In 2006, the Ministry of the Interior integrated the Local Agenda 21 in the set of methods aimed at improving the public administration quality.[62]

National Healthy Cities Network of the Czech Republic was established in 1994. It is a certified association of cities, towns, municipalities, and regions of the Czech Republic combining 119 municipalities, thereby concerning approximately 57 % of the Czech population.[63] Members of the association decided to implement the international project "Healthy City" and the international program "Local Agenda 21" in the Czech Republic as well.

The "Strategy for Regional Development of the Czech Republic 2014-2020" was drafted by the Ministry of Regional Development of the Czech Republic. The document was discussed and approved by the Government (Resolution no. 344/2013). Based on the analysis of regional disparities in the Czech Republic, the document formulates goals, priorities, and specific measures in the area of regional development, while fully respecting various regional and sectoral aspects.[64]

The "Strategy for promoting regulation 2007 – 2013" was prepared with regard to the regulatory reform at the central public administration level. The Reform in this area is associated with the criticism coming from domestic entities as well as the European Union.

Let´s focus on the second area of electronization of public administration and innovation in e-Government.

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[60] For more details see "Principles of Urban Policy of the Czech Republic" at www.databaze-strategie.cz/cz/mmr/strategie/zasady-urbanni-politiky?typ=struktura
[61] For more details see "Concept of Promoting the Local Agenda 21 in the Czech Republic by 2020" at www.na21.cz.
[62] For more details see "Portál MA 21" at www.ma21.cenia.cz.
[63] See the National Quality Program 2015. National Information Center for Quality Promotion. ISBN 978-80-02-02591-7. www.npj.cz/soubory/publiakce/NPK%20rocenka%202015%20cb%20nahled.pdf.
[64] For more details see the "Strategy for Regional Development of the Czech Republic 2014-2020" at www.mmr.cz.

One of the priorities defined by the National Reform Program of the Czech Republic (2008-2010) was the reduction of administrative burden in order to promote better business environment in the Czech Republic. The Government has set down various activities aimed at attaining the aforementioned objective (as part of the "Action plan for reducing administrative burden for businesses").[65] The Standard Cost Model (SCM) is used to analyze and assess the administrative burden.

The analysis of administrative burden was prepared and approved in 2007 (by Resolution no. 759/2007). The key objective was to reduce the burden for businesses by up to 20 % by 2010. A year later, the "Plan for reducing the administrative burden for businesses by 2010" was also approved. In 2010, the plan was extended to 2012.

Another step in this area is the reduction of administrative burden for individuals. The main activities carried out for achieving the aforementioned goal are included in the e-Government program implementation. This concerns, for example, the establishment of Czech Points, informatization of territorial public administration or establishment of the "Public Administration Portal". These activities are also associated with a number of legislative measures in the area of electronization, such as Act no. 300/2008 Coll., on Electronic acts and authorized document conversion, Act no. 111/2009 Coll., on Primary registers, etc.

The reduction of administrative burden for citizens is also promoted by various activities under the strategy "Effective public administration and friendly public services: Strategy of implementing Smart Administration in the period of 2007 – 2015", projects of digital collection of laws and international treaties ("e-Sbírka") and digital legislative process "e-Legislativa", ongoing procedural and organizational audits of public administration agendas, etc. In this connection, we should also mention the initiative "Devote 10 minutes to improving the legal environment in the Czech Republic" that allows individuals to comment on legal regulations and/or amendments thereto.

The Report on implementing the project aimed at reducing the administrative burden for citizens (2011) was prepared by the Ministry of the Interior in connection with the Government Resolution no. 908/2010. The Report mainly provides information on activities and projects aimed at reducing the administrative burden for individuals as well as an overview of impacts thereof. The part that lists international success stories and testimonials is also interesting.[66]

The effectiveness of public administration should also be promoted by the "Development Strategy of Infrastructure for Spatial Information in the Czech Republic by 2020" (2014), also known as the "Geoinfostrategie". The objective of the strategy is to define the state of infrastructure for spatial information, create information base by interconnecting territorially-oriented data from various data

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[65] Based on Resolution no. 421/2005, the Government also accepted the "Methodology for assessing the extent and origin of administrative burden for businesses" – see www.mvcr.cz/clanek/hodnoceni-a-snizovani-administrativni-zateze.aspx
[66] For more details see the Report on implementing the project aimed at reducing the administrative burden for citizens (June 2011). Ministry of the Interior of the Czech Republic (MV ČR).

sources, thereby increasing the effectiveness of funding for the spatial data generation.[67] The Strategy follows up on:

- International Competitiveness Strategy of the Czech Republic for the period of 2012-2020;
- National Reform Program of the Czech Republic.

The "National Innovation Strategy of the Czech Republic 2012-2020" is a document prepared by the Ministry of Industry and Trade of the Czech Republic and adopted by the Government (Government Resolution no. 714/2011). The objective of the document is to formulate the key trends, areas, and innovation strategy instruments that should contribute to long-term economic growth to ensure creation of high-quality jobs and quality of life improvements in the Czech Republic.[68] The material also mentions the need to promote, coordinate, and effectively implement innovation policy on the regional level – by applying effective instruments of regional innovation policy.

This year (2015), the Czech Republic will see the tenth selection of the best project in the area of public administration electronization. The "e-Government" magazine published an overview of the most interesting and successful projects of 2014.[69] Individual projects are divided into several categories: central, regional, city, and municipal projects. New category was introduced in 2014 – best payment innovation in public administration. Awarded central projects included, for example, the "Central Firearms Register", "Creation of the Czech Digital Library", "Videoconferencing in Criminal Proceedings", and "Mobile application for the public administration portal". Notable regional projects include, for example, the "Public-Benefit Organizations Portal", "Central Procurement System for the Plzeň Region Organizations", "Register of Networks - www.registrsiti.cz", and "International Integration of Regional Authority". The following projects are worth mentioning in the category of city projects: "Register of Receivables", "Monitoring and Supervision in the 21st Century – Effective, Quick, and Professional" or "Cloud storage for documents of the council and representatives". On the municipal level, we can mention the "Interactive authority – clickable budget" project or the "Cash Terminal of the City of Kroměříž" project.[70]

The "National Policy in Electronic Communications – Digital Czech Republic v.2.0", journey to digital electronization in the period of 2013-2020, was adopted by the Government in 2013 (Resolution no. 203/2013). The document was prepared by the Ministry of Industry and Trade of the Czech Republic, as an amendment to the "National Policy in Electronic Communications". The given strategy also addresses the issue of modernization of public administration and its bodies through

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[67] See the "Development Strategy of Infrastructure for Spatial Information in the Czech Republic by 2020" (2014) at www.mvcr.cz/clanek/goinfostrategie.aspx.
[68] National Innovation Strategy of the Czech Republic 2012-2020 at www.mpo.cz/dokument91200.html
[69] For more details see The Best 2014. Overview of the most interesting projects in the area of the Czech public administration electronization. www.egovernment.cz/best /2014/best14.pdf.
[70] -dtto-

modern technology, as well as the issue of open and equal access to public sector information by all entities.[71]

Conclusion

Radical political, economic, and social changes in general taking place in the Czech Republic after 1989 have affected all areas of life of society. These changes have also had major impact on the area of state administration at all levels: central, regional and/or local.

The objective of this study is to analyze the development in the area of public administration in the Czech Republic during the period, examine individual measures of planned and implemented reforms, and identify pros and cons of such reforms. Consequently, it will be possible to define good practice examples with potential application in other member states of the Visegrad Group.

Analyses of public administration in the Czech Republic as well as critical examination of reforms that have taken place in the past quarter of a century have revealed complex development process of public administration in the situation prevailing after 1989. Broken democratic traditions in all areas of social life for four decades of the monopolist rule of the Communist Party have strongly stigmatized the process of developing a new model for administration of public affairs and the state. In spite of historical traditions in the area of self-governments, it was very difficult to follow up on them and find an optimal model for governing relations between public administration and territorial self-governments. It was necessary to make significant efforts in the area of concepts, legislation, and implementation to ensure gradual harmonization of public administration with the standards of traditional democratic countries.

Public administration reforms that have been taking place – although often painful, tedious and not always straightforward or successful – have become part of complex process of transformation of the social and economic life. Is the 25-year period of reforms too long or too short for us to be satisfied with the level, quality, and effectiveness of public administration? That is a question.

Were the reforms able to quickly and effectively react to requirements arising from the membership of the Czech Republic in the EU? Have we succeeded in applying new discoveries in the area of electronic communication or modern and successful management methods? This is also debatable.

We can only agree with the opinion that: „Public management reforms in CEE countries have achieved a mix of successes and failures. However, the reform process proved to be more difficult and slower than expected at the outset of political and economic transition as well as EU accession.“[72]

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[71] See the "National Policy in Electronic Communications – Digital Czech Republic" at www.mpo.cz/assets/cz/e-komunikace-a-posta/internet/2013/4/Digi_s_v.2.0.pdf
[72] Bouckaert, G., Nakrošis, V., Nemec, J. Public administration and management reforms in CEE: main trajectories and results. GB JN VN NISPA Journal.

The presented study and its conclusions should expand the analysis of the development of public administration in member states of the Visegrad Group after 1989 with other problem areas, such as public administration funding, subsidy relations to territorial and local budgets, effectiveness and self-support of public administration institutions at all levels, etc.

A group of French experts stayed in Prague during the mid-1990s, when it seemed that no solution would be identified for many years to come. They wanted to know, among others, how long the reform talks had been going on. When told that it had been a very long time, as optimal and generally acceptable model had been sought for long 7 years, one of them said: "That's ok. We have been searching for 150 years".[73]

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[73] Reforma veřejné správy. Sborník příspěvků. Prague: ASPI, a.s., 2007, p. 8. *(Public Administration Reform. Collection of Papers/Proceedings)*

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Hungary's central state administration 1990-2014

Éva Kovács[74], György Hajnal[75]

Currently there are no published attempts at giving an overarching overview of central governmental reforms of the past quarter century of post-transition development in Hungary. The study wishes to contribute to filling this gap by offering a systematic overview of central state administration reforms in the period between 1990 and 2014. The study relies overwhelmingly on a systematic review of existing literature describing individual reform measures and shorter time periods; an additional empirical basis is a selection of key pieces of legislation and policy documents relevant to central state administration reforms.

Introduction

The reform of central state administration has been a recurring theme of government programs and academic discourse since 1990 (and before). Authors attempting an overview of some segments of these reform usually – but not unequivocally – agree that the high ambitions of reformers have, for most of the time, been contrasted by relatively modest achievements

(Tóth 2009, Kádár 2006, Kiss 2006, Sárközy 2006, Balázs 2004).

Our ambition is, joining into this discourse, to give an overarching description and discussion of central state administration reforms in the period between 1990 and 2014. It is impossible to fulfill even a merely descriptive ambition without establishing some sort of an analytical framework enabling the researcher to track the ever-changing administrative landscape over such an extended period of time, involving numerous changes to even the very notions, legal and administrative concepts intended at capturing administrative change. Therefore our secondary ambition is to identify the key milestones and periods of administrative development in this quarter century of administrative reform.

These ambitions are justified by the significant lack of similar contributions. A systematic, longitudinal overview of how administrative arrangements of the central government machinery changed in the post-transitions decades is, surprisingly, still largely missing. Much of the available scholarship related to this problematic area covers the topic either from the much broader perspective of how the political system as such changed and thus pays little attention to administrative arrangements (an important example is Körösényi 2016). Other authors, focusing on the administrative developments, frequently describe central administrative landscape with great detail and impressive closeness to the topic, which can be explained that they had been important players of the administrative practice (Müller 2011, Sárközy 2006, 2012, 2013). However these pieces generally do not intend to integrate their analysis into a systematic framework allowing inter-temporal (or other

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[74] Assistant professor, National University of Public Service
[75] Professor, Corvinus University of Budapest

kind of) comparison; instead, they follow a chronological logic and intuitively chosen, varying analytical foci.

Our ambitions will be pursued in the following structure. First we outline the research questions and the method of the study (Section 2). Sections 3 to 5 examine the three major epochs of administrative development identified by our investigation. The chapter ends with a brief concluding section.

1. The theoretical context, the questions and the method of the research

1.1 Scholarly accounts of public administration reforms in Central and Eastern Europe

There are several common features in how public administrations of Central and Eastern European transition countries developed after the systemic change (Randma-Liiv 2008, Randma-Liiv - Kaia 2010, Ványolós és Hajnal 2012). Notwithstanding some noticeable differences in both the initial conditions and the mode of transition it seems that these commonalities may be explained by a variety of factors, including the common, Communist past, and the radical elimination of the old, "Party-state" structures and the creation of a new one almost from scratch.

The specific respects, in which administrative reforms in the region's countries are similar, are conceptualized and classified in the literature in various ways, as are the historically created and culturally transmitted features underlying these similarities. Therefore in the following we briefly enumerate the most characteristic features organized into a category system consisting of neither mutually exclusive nor jointly exhaustive categories.

1.

Reforms are disproportionately dominated by structural measures limited to shifting existing organizational boundaries and tasks and competences assigned to them (Ványolós-Hajnal 2012).

2.

Public administration and governance are generally perceived and practiced in a way predominantly oriented to, and based on, (public) Law. The structures and processes of public administration are regulated by a body of law, which is definitely more extensive and more detailed than in other, non-*Rechtsstaat* type administrative traditions. This Law based approach perceives governance almost exclusively in terms of the "Law making *versus* law execution" dichotomy and identifies public policy with legal text, and public policy making with the production and technical implementation of legal texts. This *Rechtsstaat* way of thinking dominates other mental frames and administrative traditions such as the one termed *Public Interest* (Hajnal-Jenei 2007). Interestingly however even the *Rechtsstaat* tradition appears in a way deviating from the Germanic 'original'. This distorted type of *Rechsstaat* is characterized by, among others, a symbolic, as opposed to real, character of law (policy) making; adopted laws are frequently clearly unsuitable for reaching their stated objective (if the have one at

all). Moreover, the implementation of laws oftentimes happens in a biased, selective manner, following different interpretations by different levels of the administrative machinery (Ványolós-Hajnal2012; Sárközy 2006 terms this phenomenon "quasi rule of law").

3.

Another common feature of CEE public administration reforms seems to be the lack of clear reform ideas and docrtinal / value foundations, and the frequently and radically changing character of actual reform directions (cf. Tóth 2009, Gellén 2012). For long historical epochs many countries of the region were characterized by a radical opposition of conflicting / opposing ideologies. As a result the relatively frequent successions of "political regimes representing radically opposing ideologies and proliferating those ideologies with significant institutional resources no overal value framework – shared by the majority of society – could be developed" (Gajduschek 2015). This circumstance has a noticeable impact on political thinking and decision making, increasing the intertemporal inconsistency / discontinuity of successive governmental reform programs.

4.

A next common feature is a dispreference towards centralization and central bureaucracy and a desire to see the state "hollowed out". This attitudinal feature has historical roots emanating from historical experiences of foreign powers such as the Hapsburg or the Soviet empire ruled the region's countries. Thus, in many countries of the region the state is historically perceived as an "alien, oppressive power" (Gajduschek 2015), against which popular or individual action is necessary and/or justified.

5.

State paternalism and a popular desire to have solutions to problems "from above" – that is, initiated and implemented centrally – is yet another common feature mentioned by observers (Gajduschek 2015, Sárközy 2006). Put in the context of the previously mentioned preference for a "hollowed-out" central state one can detect a clear though real inconsistency. This inconsistency frequently appears not only in citizens' role expectations vis-a-vis the state but also actual public administration reform programs.

6.

Harmonization – or, at least, formal compliance – with the expectations of the European Union enabling accession and successful absorption of EU funds is a next common feature. The accession to the EU, in particular, had a clear impact on public administration reforms of the regions' countries. Falkner and Treib (2008) – tellingly calling the region as "the world of dead letters" – observe the following common features in relation to EU harmonization:

- A literal transposition of EU law into the body of domestic law, irrespective of national specificities and relevant stakeholders' views.

- An insufficient, often only symbolic implementation/enforcement of EU law.
- The transposition of EU law and institutions frequently happens "on paper" only, without actual institutional or policy change.

7.

The public administration is over-politicized; frequently, public administration reforms are triggered by the intention and/or result in acquisition of informal political, organizational or economic resources. Political patronage and informal networks of personal and group loyalties are typical phenomena in the region, frequently contributing to "rationalizations" and other types of public administration reforms (cf. Hajnal 2010, 2012).

8.

The weight of "grey" or outright illegal spheres and activities is significant. Abuse of institutions, office and corruption are widespread phenomena as public administration too. In the Communist era societies got accustomed to the pattern that market and civic activities irreconcilable with the Communist ideology were created, operated – and frequently tolerated – in a hidden and unofficial way, in spite of existing governmental policies and rules (Sárközy 2006). Thus collective hypocrisy became an inherent part of political and societal culture. Post-transition governments too have their widespread "grey economies" existing and maintained in the form of mass quasi-rationalization and outsourcing campaigns, government-funded public foundations and NGOs pursuing clearly not public but particularistic political and economic interests, and various diverse forms of institutionalized corruption.

1.2 Research questions and method

According to historical institutionalist writers so-called critical events – events abruptly and fundamentally altering the basic contours of social, political or economic life – play a major role in triggering policy and administrative reforms. (Pierson, 2000). Such critical events can be induced by external factors (i.e. external to the system under investigation – in our case, the government itself), internal factors, power shifts resulting in the acquisition of power by a new group or individual, and ideational factors (doctrines) orienting thinking and action regarding administrative reforms (cf. Pollitt és Bouckaert 2004). That is, factors belonging to one or more of these clusters may induce administrative transformations or reforms. The first research question pursued in this study is to identify and describe the main periods of Hungarian central state reform on the basis of the decisive macro-political context and the triggering factors resulting from that context:

[Research Question #1:] On the basis of contextual factors and political intention triggering governmental efforts at transforming central state administration, what periodization is the most relevant one in understanding the post-1990 development of Hungarian central state administration?

Our next three research questions target the substantive features of central state administration reforms. We wish to describe the reform decisions and their most important and visible effects in the periods identified earlier. In particular, we describe and analyze central state administration reforms in three respects:

[Research Question #2:] What were the key structural changes happening to central state administration in the given development periods?

Thus, our first analytical dimension is the structural features of central state administration. The pivotal role of this formal-structural dimension is justified by, firstly, the fact that structural features formed a key intervention area of administrative reform(er)s throughout the examined period (Hajnal 2011). Secondly, our method applied in this study and outlined a few paragraphs later is particularly geared at, and suitable to, analyzing changes happening to formal-structural features.

Structural change in public administration is omnipresent and happens along many different dimensions. This creates a need for some focus of analysis. From among the numerous structural features we particularly emphasize two such foci.

- The first one is how coordinative arrangements within central state administration change; that is, we ask what structural changes took place that aimed at a better mutual adjustment (coordination) of key governmental actors and at promoting the enforcement of central political will. The choice of this focal dimension is justified by the overarching and stable presence of coordinative efforts on the agenda as well is in the practice of central government reforms.

- The second emphatic sub-dimension is the changes having occurred to the organizational tier below the ministry level – that is, to various sorts of (executive) agencies and to their governance arrangements. This "agencification" perspective is important because it is practically the other side of the above coin of central coordination efforts not only in Hungary (Hajnal 2011) but also in other countries of the region (Randma-Liiv et al. 2011). That is, the probably most stable and significant front line of central administrative reforms stretched, throughout the post-transition decades, between efforts by the core executive to (vertically) coordinate administrative organs including, in particular, agencies on the one hand, and the plethora of agencies constituting and protecting diverse ministerial, sectoral, political and personal interests, on the other.

In addition to the above substantive considerations, the choice of these two sub-dimensions is also justified by their relative importance – implying an almost constant presence of these elements in administrative reforms – and the relative availability of published primary research (partly produced by the authors of the current study) of these aspects of structural reforms.

Our next and final two research questions focus on the two most-discussed, "standard" features of central state administration:

[Research Question #3:] What characterized administrative reforms in terms of the operations and work processes of central state administration?

[Research Question #4:] What were the main features of central state administration reforms in terms of the systemic and regulatory framework of its civil service system?

Empirically, our research builds upon two sources. Firstly and primarily, we give a systematic review of pre-existing research into our chosen topic. Secondly, and to a large extent relying on the emphases and judgments appearing in the existing published academic research, we analyze key documents such as pieces of legislation and policy documents.

2. Democratic transition and consolidation (1989 – 1998)

A brief overview of the major characteristics of Hungary's communist state administration seems to be a useful starting point for analysing subsequent further government reforms during the post-communist period. The totalitarian centralisation of government, economy and society started soon after World War II and got fully developed by the early 1950's. Both the public administration and economic sphere were fully captured, directed and controlled by the central state and the Communist Party. Interestingly, the resulting polity – the formal process and form of government institutions – was in many respects quite similar to those of the democratic states: for example, the formal, constitutional separation of the legislative, the executive and the administrative branches existed. But the formal structures of state machinery differed fundamentally as compared to how it really worked in practice.

- According to the constitution the Parliament represented the supreme organ of state power and civil representation in the Hungarian People's Republic, but in fact its role was very narrow, mainly symbolic. In comparison to the democratic countries, we cannot talk about free elections, because *de facto* only the Communist Party had the right to form the government. All other parties were either outlawed or allowed to take only a limited and controlled participation in elections. In addition conveying the parliament was a very rare thing in itself (in average two or three times a year for an 8 - 9 days session).
- The powers of former president or President were transferred to the most powerful collective body of socialist state, to the Presidential Council of the Hungarian People's Republic (*Népköztársaság Elnöki Tanácsa*). In practical terms this council excluded the parliament from its political decision – making function and replaced it by itself.
- The highest organ of state administration was the Council of Ministers (*Minisztertanács*). It consisted of the Chairman (literally meaning the prime minister), deputy chairmen, ministers of state, and head of ministries and the Chairman of the National Planning Board. The Council of Ministers was not accountable by the parliament. It was responsible only to Communist Party.

In effect, this council exercised as an arm – length organ of the Communist Party will to enforce its decisions. (Deszo, M. et al, 2010)

- The sub-national administrative system quazi referred the model of central government administration. The regional/local councils also consisted of a collective decision-making body and an executive body operated in a strong hierarchical order and strictly controlled by party politics. The sectoral administrative organs were operating under the directions of regional and local councils.

The widespread role, the extensive power and influence of Communist Party usually were not defined explicitly at the level of formal rules (constitution, legislation). Rather it was enforced through the following informal channels.

- With the Communists takeover, a radical process of centralization was initiated on every government level. The previously autonomous municipal system was replaced with a national council system that consisted of twenty mid-tier, territorial level councils – nineteen counties - and the capital. Although all these districts were strictly supervised and controlled by central government, the counties were given a place in the central government's planning committee. The local government units on the sub–national levels – cities and towns – continued to exist; nevertheless they were not empowered for real self-governing involving decision making regarding their local issues. They functioned merely as executive bodies carrying out the central plans.

- The Communist Party could exert a significant extent of coordinating influence over the whole of the government apparatus. The cultural, ideological and political instruments could be considered as the major coordination mechanisms within the state and government machinery. (Hajnal – Kovács 2012)

- Every economic, social and administrative field was controlled by political appointees on every level of the hierarchy, down to the lowest one. This was enabled by the so-called nomenclature system. The nomenclatures held various key administrative positions in all spheres and their positions were granted only with approval by the Hungarian Communist Party. They formed de facto elite of public powers in the communist regime that control both private and public powers.

- In the legal sense, the government officials, the MPs and judges couldn't be obliged to carry out the party instructions. However, since most of them were members of the Communist Party, they had to obey communist party leaders. Their behaviours and actions were closely monitored by Party officials through a variety of mechanisms and deviations from the Party guidelines and instructions were strictly sanctioned. (Kornai 1993)

The economy was founded on state economic planning and centralized allocation of resources, where the social – in practice: state – ownership dominated. The majority of firms were nationalised and cooperatives were established — mainly in agriculture – that was also under the direction of the

Communist Party. A multi-level governmental apparatus was established for exerting central planning and control over the public firms with strictly hierarchical measures: the input quotas and production plans were centrally given to firms by the Planning Bureau, as well as the price-setting. The independence of firms was narrowly limited. In fact, a tight bureaucratic structure was emerged for directing and controlling the market and economic system. (Kornai 1995)

This early form of steering state and economy arrived in the mid-1960s to a turning point to some extent as a result of a conscious government policy of political, ideological and economic consolidation having emerged in the years following the pacification efforts immediately following the 1956 revolution. Although slight modifications were introduced in Hungary already from the mid-1950s, the reforms and the system-wide deviation from the strict Soviet principles were strengthened. The main purpose of the reform was to free the society and economy from bureaucratic ties, and decrease communist control and to increase the autonomy of economic actors. "Command economy" was, to some extent, replaced by a system in which relatively autonomous firms were connected to a large extent through some sort of (quasi) markets. "Some prices continued to be set centrally, but the sphere of contract prices determined by the agreement of seller and buyer has been enlarged considerably. The right of investment decisions is shared among central organisations, credit-granting banks, and firms independently initiating investment and also financing partly from their own savings" (Kornai 1995, p. 147).

A second result of the reforms was the extension of a paternalist "welfare state". Hungary developed a welfare system with a rather comprehensive benefit package covering the entire population. "Although similar tendencies arose at the time in all Eastern European countries, Hungary went furthest by far and in this respect stands alone in the region" (Kornai 1996, p. 944.). Due to its particular status in the Eastern Bloc, Hungary was often described as "the happiest barrack in the socialist camp" or "Goulash Communist". Hungary enjoyed many amenities and privileges not available in the rest of the Soviet bloc. Additionally Hungary has been marked for decades by a relative political calm. "While the transformation in some countries has been accompanied by civil warfare, Hungary had restrained negotiations over an extended period, with the ruling politicians of the old order and the hitherto repressed opposition reaching agreement on free elections and a new constitution" (Kornai 1996, p. 944.).

2.1 The context and the key determinants of reforms

By 1989 the political, societal and economic changes transcended what could have been termed a (reformed) „Communist model" (Sárközy 2012). Institutional reforms targeting the state and the economy led to a top-down style systemic change. The „democratically founded coalition government and the transition to market economy" – a highly popular phrase of the time (Antall 1990) implied as well as necessitated a fundamental reform of the central state administration, too. The first historical

epoch following the 1990 transition was characterized by two major directions of reform: (i) the creation of a new set of state institutions corresponding to the requirements of liberal democratic principles, and (ii) fine-tuning and adjusting the new institutional framework in order to alleviate or correct its dysfunctions usually resulting from an initial over-emphasis on key liberal democratic values such as decentralization and checks and balances against central power.

The first direction of refoms can well be understood as an across-the-board negation of the communist past, including its institutions and politico-administrative principles. These reforms wishes to eliminate, sometimes with excessive thrust, the old, strongly centralized, autocratic framework of the „party-state", and to create insurmountable institutional and political barriers preventing its possible re-installation. The key elements of these initial institutional reform can be best understood as an antithesis of some central feature of the pre-existing Communist institutional framework as follows.

1.

Strong decentralization and de-concentration (territorialisation) in the place of centrally supervised party-state structures. The Soviet (Council) type territorial administrative structures installed in 1950 eliminated the self-government character of territorial and local governance, and installed a centrally supervised, strict hierarchy instead. As a reaction to this, in the new, post-1990 era any movement towards centralizing and uniformity was perceived as a dangerous attempt to re-install the old, Communist system. Policy sectors strived to counter such attempts and to strengthen their autonomy vis-à-vis the core executive. As a consequence central administrative organs and their territorial offices sharply proliferated in the post-transition years (Balázs 1995, Hajnal – Kovács 2013). Moreover, on the on the local level the number of administrative local government units almost doubled when 3200 locally elected self-governments with broad autonomy were created in 1990.

2.

The creation of a system of institutional checks and balances to constrain the arbitrary and unlimited operation of central state organs. In order to prevent the return of an authoritarian central power it was seen very important to strengthen the democratic control and oversight over central state organs (especially those with coercive capacities). In these initial years any attempt at strengthening the Cabinet or the core executive was therefore seen as undesirable and/or unfeasible (Müller 2011b). Instead a strongly balanced parliamentary state structure was created, something possibly called "super-rule-of-law state", in which all and any possible constitutional counterbalances and checks were present (Sárközy 2010). This "system of counterbalances" was characterized by the following key features (ibid.):

- A new autonomous entity exerting strong control over the government's fiscal policy a new National Court of Audit (*Állami Számvevőszék*) and for a short period a National Council of Budgetary Oversight (*Költségvetési Tanács*) was created.

- The Hungarian National Bank (*Magyar Nemzeti Bank*) became entirely independent from the executive branch too (until 2010 and, especially, 2013 when government control was significantly strengthened in several consecutive steps).
- A judicial (including the courts and court administration) system as well as an Office of the State Attorney, both entirely independent from the Cabinet, were created.
- A Constitutional Court (*Alkotmánybíróság*) characterized by a – with international standards – exceptionally broad field of competence was created, with the primary function of ensuring and controlling the constitutionality of legal measures.
- From the mid-1990s the institution of Parliamentary Ombudsman was created with constantly broadening competences.

The ensuing plethora of blocking mechanisms built into governmental decision making – sometimes referred to as "governmental impotence" (Hajnal 2010; Sárközy 2013) – significantly decreased the room of manoeuvre available for the Cabinet (according to some observers, even "more than necessary"; Müller 2011b). The general motivation underlying these changes was, firstly, an intention to exclude the possibility of reversing the democratization process and, secondly, a somewhat naïve belief in the ethos of self-governance and organizational autonomy; in fact, almost any control mechanism was frequently perceived as a "[Communist] Party committee instrument" (Balázs 2013, Sárközy 2010).

3.

Creating a "downsized" state bureaucracy with limited functions in the place of an omnipotent, uncontrolled and oversized state machinery. As a first step towards this end already at the end of 1989 an overarching, multi-phase de-regulation process was initiated.

4.

Restoring the role of the Parliament. In the communist era the legal-formal institutions and processes of political decision and policy making substantially deviated from the actual ones. Although Laws were formally created by the Parliament (*Országgyűlés*), in practice the Party apparatus decided about their content. Moreover, key policy decisions were overwhelmingly made in the form of ministerial or Cabinet decrees. Therefore the restoration of the Parliament's role was seen as a pivotal element of the democratic transition. As a result, the Parliament's regulatory field of competence was extraordinarily broadened (leading to a situation whereby all and any national policy decision required a legislative act), and the number and proportion of laws requiring qualified (two-thirds) majority radically increased (Kilényi 1993). This – according to several observers quite excessive – strengthening of the Parliament's position compelled cabinets not supported by a two-third (but only a simple) majority to seek consensus with the opposition, leading to a "legislative crisis" (Müller 1993) and to further diminished room for manoeuvre.

5.

Creating a clear and overarching regulatory framework for the civil service. In the communist era promotion to managerial positions in the administrative branch happened largely on the basis of political fidelity and loyalty. Such decisions were made by the competent organs of the Party ("nomenclature system"; Kornai 1993). After the transition however a general sentiment emerged demanding the application of the merit principle in such decisions, and the separation of the realms of politics from those of administration (Farkas – György 1990). A fundamental re-regulation of the entire, unregulated realm of the civil service was further necessitated by the decreasing and disturbingly low quality of the workforce (Berényi 1992, Müller 1993). The level of professionalism was, in particular, decreased the "brain drain" towards the for-profit sector after the system change, induced by higher salaries and better working conditions (Müller 1993).

By the mid-1990s, as the over-heated waves of systemic change smoothed, both politicians and experts of the fields started to recognize the numerous difficulties caused by the newly institutionalized politico-administrative framework. The overly emphasis on political compromise and democratic oversight, checks and balances resulted in serious blockages in the process of governance, requiring new administrative changes to consolidate and, at some points, correct the new framework (Kádár 2006). The normative base and the direction of reform thinking somewhat modified: the unconditional fear from a strong central authority was replaced by a more balanced acknowledgement of constitutional frameworks promoting democratic oversight but at the same time not blocking rational and justified policy making and implementation. The Government Decree on Public Administration Reform 1100/1996. (X. 2.) thus emphasized that the "collegial operation and collective character of the Cabinet should be strengthened. The Cabinet as a body should strengthen its role both in the fields of governance [decision making] and in that of implementation (in particular, the central direction of state administration." As part of this general thrust the motif of strengthening the supremacy of "whole-of-government" considerations were to be promoted (cf. Government Decrees 1026/1992. (V. 12.) and 1100/1996. (X. 2.) on the Modernization of Public Administration). Instead of an instant and drastic downsizing of the state and the public administration a more balanced and considerate re-alignment of administrative competences, distributions of tasks between ministries and central executive agencies appeared in the reform packages (cf. Government Decree 1026/1992. (V. 12.)).

In a vain, similar to the above, the second half of the 1990-1989 period was also characterized by a more careful re-balancing of the centralization-decentralization dimension as opposed to the unconditional and excessive decentralization and devolution characterizing the initial years. Steps were taken to create a tighter central coordination and integration of territorial state administration units and to incentivize local self-governments to engage in voluntary amalgamation of their

individual service and administrative units (Government Decree on Public Administration Reform 1100/1996. (X. 2.)).

Above we briefly listed the broad, overarching ideals and intentions of reforms. Actual steps taken are enumerated in the following sub-section.

2.2 Structural changes

Structural changes can be clustered into two major groups. The first cluster aimed at improving the coordination between key governmental players and policy sectors. The second cluster of structural changes focused on the regulation of the so-called "central executive agencies with national competences" (*országos hatáskörű szervek*) operating at the sub-ministerial level and possessing a national scope task portfolio (hereinafter we will refer to these organizations as central executive agencies).

As we noted earlier at the very beginning of the nineties the central executive had little leverage to enforce its will over the diverse set of sectorial and ministerial interests and to harmonize the diverse intentions emerging out of this organizational field. From 1992 onwards, however, this ambition often appears in the government's reform rhetoric. Instruments capable of protecting the core executive – the Prime Ministerial and his immediate apparatus – from ministries and central executive agencies "cheating" them (Balázs 2013). To this end, two new elements were introduced. The first element concerned the Prime Minister's Office (PMO; *Miniszterelnöki Hivatal*). The PMO became the key actor coordinating central government policies. The PMO – and, actually, even its communist-era predecessor, the Office of the Ministerial Council (*Minisztertanács Hivatala*) – had already played an important role in the preparation of government decisions and to ensure the prevalence of central intentions over fragmented sectorial interests. In the course of the so-called administrative consultations (among ministries) each ministry proposal had to be sent to the PMO for assessment. This assessment was however, until 1998, restricted to legal and codification aspects only, and did not concern the substantive (policy related) aspects (Pesti 2000).

The other instrument to exert control over the ministries was the regular consultations of state secretaries. Every proposal to the Cabinet had to be discussed and approved by the weekly Meeting of Permanent State Secretaries (*Közigazgatási Államtitkári Értekezlet; KÁT*) and, for a shorter interim period, the Meeting of Political State Secretaries too. This latter one remained informal, the Cabinet's rules of procedure officially included the institution of the KÁT. (Balázs 2013). The KÁT seemed an instrument effectively ensuring coordination among policy sectors; its role in the pre-decision process of Cabinet policy formulation kept on growing throughout the period (Müller 2011a, Szilvásy 1998).

As for the second cluster of structural changes mentioned above, the starting position – characteristic for the last years of the communist era – was characterized by the existence of two kinds of central executive agencies. A smaller set of them was supervised directly by the Office of the Ministerial

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Council. There were approximately 25 such central executive agencies, half of the being administrative organs and the other half organizations exerting economic or cultural tasks such as the Hungarian Broadcasting Company (MR), Hungarian Television Company (MTV), and the National News Agency (MTI). A larger part of central executive agencies, approximately 75, operated under the supervision of a lower level "parent organizations" – typically, a ministry. The legal status of central executive agencies was, prior to the transition, regulated in 1979 for the last time.

In and after the transition process the structural features of central executive agencies developed in a spontaneous, ad-hoc manner, in a way "characterized by a fundamental lack of consistency and consciousness" (Hajnal 2011). It was only in 1992 that the government first attempted to create a situation that is at least more formally transparent and regulated (Government Decree 1040/1992 on the principles of regulating central executive agencies' legal status and Government Decree 3333/1992 on the supervision and control of central executive agencies). The new regulatory framework created three types of central executive agencies: (i) a the upper end of the hierarchical spectrum we find operating under the Cabinet (*országos hatáskörű szerv, OHSZ*), (ii) one level below we find central executive agencies supervised by a ministry (*központi hivatal*), while below this level we find a third, more amorphous type of central executive agencies frequently not even having a separate legal entity (*minisztériumi hivatal*). Although the new regulatory framework did specify these three "ideal-types" of central executive agencies, those agencies already existing were not classified into this classifications system. Consequently, the lines of direction and control continued to be ambiguous. This was problematic not only from a purely legal, doctrinal aspect but led to practical daily problems as well. The below table summarizes the main structural features of central executive agency types created in 1992 and remaining in effect until 2006.

Table No. 1: Typology of agencies based on their legal-structural features.

Structural features	OHSZ	Central bureau	Ministry bureau
Founder/form of founding document (statute)	Parliament/Law	Government/Government Decree	Minister/Ministerial Decree
Superior organ	Cabinet	Ministry	Ministry
Appointment/dismissal of agency head	- By the Cabinet/Prime Minister - Appointed for a term of 4 – 6 years	- By the Minister - Appointed for an indefinite period	- By the Minister - Appointed for an indefinite period
Remuneration of staff (according to Law on Civil Service)	Same as for ministry staff	Less than for ministry staff	Less than for ministry staff
Participation in the governmental	- May participate in meetings	- May participate in	- May not participate

decision-making bodies	of Permanent State Secretaries - May participate in Cabinet meetings*	meetings of Permanent State Secretaries	in governmental decision-making bodies
Budgetary status (position in the Law on Budget)	Separate section in the Law on Budget*	Subsection within the Ministry's section in the Law on Budget	Not included explicitly in the Budget

This applies to a smaller set of OHSZs only.

As regards the organizational field comprising of central executive agencies the opaque and uncontrolled proliferation of central executive agency structures, functions and organizations continued to characterize the entire field throughout the examined period. This can be attributed, firstly, to the agencies themselves striving to minimize the control exerted by their parent ministry over them; secondly to the ministries striving to build up and maintain their organizational *Hingergrund* protected from oversight and control by the core executive and/or by public transparency; and finally by the core executive's limited regulatory and control capabilities (Hajnal 2011).

2.3 Operations and work processes

Governmental efforts to improve the operations and work processes within the central administration took two directions.

The first direction was to rationalize and simplify operations. These efforts mainly comprised the following elements (cf. Government Decrees 1026/192 and 1100/1996 on the modernization of public administration):

- Strengthening cooperation between political sectors both in the phase of policy formulation and in the course of administrative / enforcement operations.
- Easing the rigid hierarchy of administration and nurturing the autonomy and responsibility of subordinated administrative organs.
- Improving the ICT capacities of public administration.
- Increased application of corporate management techniques such as performance appraisal and performance measurement.
- Incentivizing administrative organizations to outsource / contract out administrative tasks.

The second direction was to simplify administrative acts involving clients (citizens and private sector organizations). This direction mainly comprised the following intentions:

- The modernization of public administration should be based on the actual needs of citizens. Likewise, the organizational solutions applied in public service delivery should reflect the needs of the citizens and private sector organizations consuming those services.
- Excessively cumbersome and unnecessary legal regulations should be eliminated. A new government commissioner in charge of the deregulation process was nominated, who sat at the top of the newly created Council for Public Administration Deregulation. Later on a separate Law on administrative deregulation was adopted too.
- Downsizing central bureaucracy and decreasing the number of preliminary administrative approvals private sector clients are required to obtain should become key objective, thereby promoting the transparency of the legal system too.

Not many of these intentions did actually materialize to a noticeable extent. Actual measures taken to promote these ends frequently remained on paper or were implemented in a selective, biased manner. Although the seriousness of public administration reform intentions was also expressed by the nomination of a Government Commissioner of Public Administration Reform later on tangible leadership of, and political support for, administrative reforms frequently remained weak. After the initial formulation of the ambitious goals actual frameworks for implementation were not created accordingly (Balázs 2013, Kádár 2006).

2.4 The civil service system

In the immediate post-transition period four main areas of reforms can be identified in relation to the civil service: firstly, the legal regulation of the position of the civil servant as such; secondly, the separation of administrative and political positions; thirdly, the downsizing of the civil service; and fourthly, the systemic assessment, monitoring and improvement of the quality of workforce within the civil service.

The most important milestone in the development of the civil service is the adoption of Law XXIII/1992 on the legal status of civil servants. The creation of a merit based civil service system is frequently ascribed to this piece of legislation as the new law included a detailed legal regulation of each systemic element typically found in merit based civil service systems elsewhere. However in the actual practice the merit principle was present only seemingly (in Gajduschek 2008's characterization: "pseudo-merit-based civil service system"). Staffing (hiring, firing, promoting) decisions were in practice concentrated in the hands of the individual public administration organizations' chief officers, who themselves were, more or less directly, political appointees too. The legal framework gave significant discretion to these top level managers of the individual administrative organizations: "the apparently very detailed legal regulations leaves the system unprotected from managerial subjectivity exactly on the most vulnerable points. Consequently the possibility of political patronage and spoil making is opened up" (Gajduschek 2008).

A next important element of the emerging civil service system is the crystallization of political and administrative roles within ministries (political and administrative – or permanent – state secretaries). Despite this formal separation of the realms of politics and administration, even the supposedly administrative layers of administrative leadership became political spoils; consequently, administrative leaders frequently developed strong loyalties towards political groupings or towards the person of particular political leaders.

The number of civil servants followed an inconsistent trend. After the transition a clear increase in the number of civil servants can be observed. According to Gajduschek (2008) prior to the transition the (civilian) public administration had employed approximately 50 thousand staff. By 1994 this figure has grown by 93% and in the next nine years (by 2003) it grew by another 31% (Gajduschk 2008: 112). Gajduschek (ibid) attributes this spectacular growth, paradoxically, to the reform rhetoric of "rationalization" and "downsizing public bureaucracy". The government's recurring attempts to cut staff numbers were usually followed by an even sharper growth in staff numbers.

The fourth element of civil service reforms was related to training and capacity building. Although elements of formal qualification criteria and performance based financial incentives already appeared in the first version of the 1992 civil service law these elements remained largely unimplemented (or, in some respects and cases, were implemented in a very narrow and selective manner). This is illustrated by, for example, the Government Decree (9/1995) on individual public administrative positions and qualification requirements. This piece of legislation gave only a very rudimentary enumeration of administrative positions (actually position titles) and abounds in inconsistencies (for some details see Gajduschek 2008: 200-201). In relation to performance based salaries, although the Civil Service Law provided the legal opportunity to use performance based incentives (in the range of -20 to +30% per annum) the actual application of this instrument remained minimal.

3.   Presidentialism and governmental capacity building (1998-2010)

3.1 The context and the key determinants of reforms

The first two parliamentary cycles (from 1990 to 1998) were mostly characterized by the creation and stabilization of basic state and public administration institutions, the determination and actualization of basic state tasks and roles, and the management of the social and economic crises ensuing in the process of transition. The next major epoch of central state administrative development can be defined as starting in 1998 and lasting until 2010. Although the three parliamentary cycles comprised by this period differ in many important aspects they still share two important features, which, in our view, justifies interpreting them as a single epoch of administrative development.

The first such fundamental feature is the predominance of the accession to the European Union, consisting of both the accession preparations and the actual, intense legal harmonization characterizing

the post-accession years (cf. Verebélyi 2001, Balázs 2002, Sárközy 2003, Tóth 2004, Ágh 2006 stb.). This Europeanization of the central state administration – that is, the (at least formal) compliance with EU laws, regulations, norms, and actual or perceived expectations – stands out as a central element of reforms throughout the 1998-2010 years.

Although there are few, if any, specific and compulsory operational or structural requirements of the EU towards Member States' central administrations, the quality and level of administrative functioning ensuring the implementation of EU regulations and policies is, of course, of high concern. Therefore, unlike the previous rounds of EU enlargement, in the case of the Central and East European accession the EU provided requirements regarding the reform and development of future Member States' administrations. Moreover the actual compliance with these expectations was constantly monitored (Verebélyi 2001). This fact influenced not only actual central state administrative reform decisions but on governmental reform rhetoric as well. Administrative capacity building necessitated by accession (especially, abilities contributing to so-called absorption capacity enabling the country to utilize and spend EU funds) remained a central motive of reforms speech throughout the period.

The second fundamental common feature of these years is the predominance of a change pattern of the politico-administrative landscape frequently termed a (albeit not *de iure*, but *de facto*) move towards a presidential system ("presidentialization"; Körösényi 2001; see also Körösényi 2003, Sárközy 2003). The most important constituting elements of this process are as follows:

- The role of the Prime Minister within the Cabinet strengthens; the structural features of the government changes so as to strengthen the position of the PMO.
- The power balance shifts so that the role of neo-corporatist structures (trade unions, consultative bodies) weakens and the role of the government strengthens. The room for manoeuvre for economic policy increases.
- The Cabinet and the executive branch strengthens vis-a-vis the legislative branch.
- The importance of Cabinet meetings decreases.
- A coalition government strategy appears, enabling the Prime Minister to exert full political control over politically salient issue areas (for example, by extending the PMO's task portfolio to include key areas and to "pay off" minor coalition partners with politically less significant ministries and portfolios).
- Strong organizational and personal *Hintergrund* for the governing party; politically strictly controlled parliamentary fraction.

According to many observers (Körösényi 2001, Sárközy 2012) this definite strive centralize and extend political control and, in particular, the dominance of the Prime Minister can be seen as a reaction to the structures and modes of operation characterizing the pre-1998 years. As we noted earlier, the institutional framework having emerged after the transition was characterized by a radical

orientation towards to maintenance of the status quo, materializing as an all-encompassing set of democratic checks and balances and political veto powers, all resulting in a highly restricted room for maneuver for the executive and a very limited "governmentability" of the system. In addition to the frustration caused by this, the perceived need for centralization was further strengthened by a fear (partly based on past experience) from "undercover" interest groups and divergent sectorial policy intentions penetrating the core administration and capturing even the Prime Minister (Orbán 1998 cited by Pethő 2010).

3.2 Structural changes

Structural reform ambitions triggered by EU accession targeted the regional and local tiers of administration, as opposed to central state administration. In spite of this, a number of structural reforms targeting central state administration can – or are frequently – attribute to accession requirements. Such changes include the creation of an autonomous Office for Immigration of Citizenship (*Bevándorlási és Állampolgársági Hivatal*) in 2000, separated from the Police; the creation of an integrated national civilian protection system in 2000; the merger of the policy with the border policy in preparation to the accession to the Schengen agreement in 2007; and the creation of an outonomous Office of Agriculture and Rural Development (*Mezőgazdasági és Vidékfejlesztési Hivatal*) in 2003 and the Office for Agricultural Administration (*Mezőgazdasági Szakigazgatási Hivatal*) in 2006, both in charge of the implementation of the EU's Common Agricultural Policy.

These structural changes, however, can be regarded as of minor importance in comparison with those triggered by the intention to extend and centralize the Prime Minister's political control and power.

The main instrument of these efforts was the constant strengthening of the Prime Minister's immediate apparatus, the PMO. In practice this meant a gradual take-over by the PMO of such key competences and capabilities as political planning and analysis, communication, and the creation of the system of so-called mirror-departments (each one "mirroring" one ministry enabling the Prime Minister to exert "real-time" and technically competent control over each ministerial portfolio (Müller 2010a:34).

This trend of strengthening political control and oversight continued in the 2006-2010 period. According to Müller (2010a: 37) the reform package introduced by the second Gyurcsány Cabinet in 2006 aimed at the "final actualization of political governance". Formal as well as informal instruments of this effort include the following:

-   The Prime Minister took the leading positions in the most important cabinet committees, including the Committee of State Reform (*Államreform Bizottság*) and the Development Cabinet (*Fejlesztési Kabinet*).
-   The Prime Minister's position vis-a-vis the minister became that of a principal-agent relationship extending to the very miisterial portfolio; he "[regularly] met with his ministers and informally made clear to them what he expects them to do" (Lamperth 2014).

- The role perceptions of, and expectations regarding, ministers changed; in the new interprepation the minister is not the representative of the ministry/sector in the Cabinet but, rather, leads the ministry of behalf of the Cabinet (Sárközy 2007).
- The abolition of the position of the permanent/administrative state secretary and thus the institution of the Meeting of Permanent State Secretaries (*KÁT*) was yet another important – and highly controversial – element of the 2006 reform package. State secretary positions were increasingly filled by personalities having an expressly party political profile (Müller 2010b:14).

With an objective similar to the ones listed above a number of additional, more "macro level" structural changes occurred aiming at strengthening central control and containing organizational "over-proliferation and over-growth" (Sárközy 2007).

- The number of ministries and, especially, central executive agencies was decreased by means of mergers (for more details see Hajnal 2010, 2011). For example, five autonomous central executive agencies were merged into the Ministry of Local Government and Regional Development (*Önkormányzati és Területfejlesztési Minisztérium*); various central executive agencies in charge of administering the mining sector as well as agencies operating in the field of agriculture were merged.
- In order to improve coordination of key policy areas new coordination bodies (committees and organizations) were created. Examples include the National Development Agency (*Nemzeti Fejlesztési Ügynökség*) in charge or managing all EU funds, the Committee on State Reform (*Államreform Bizottság*), the Agency for Administrative and Electronic Public Services (*Közigazgatási és Elektronikus Közszolgáltatások Központi Hivatala*), and the government's new human resources management centre, the Agency for Governmental Personnel Management and Training (*Kormányzati Személyügyi, Szolgáltató és Közigazgatási Képzési Központ*).

As we have already noted some sort of a "structrual reform" of national agencies has been a recurring element on successive Cabinets' reform agendas it is difficult to see any consistent strategy or even doctrine underlying those reform intentions (cf. Hajnal 2007, Hajnal 2010, Hajnal 2012). Rather, for most of the time one can observe a rather spontaneous and constant evolvement of structures driven by diverse and opaque political, organizational and individual interests and intentions. The Law LVII/2006 on the legal status of central state administration organizations, Cabinet members and state secretaries. The new, overarching legal framework relied, to some extent, on the earlier legal typology of central executive agencies. It included however changes as well. In addition to changing the earlier (partly inconsistent) terminology used to denote agency types it eliminated the lowest level of central executive agencies, the so-called ministry bureaus; exiting organizations in this category had to be terminated or "upgraded".

Reflecting the changing and strengthening administrative policy of the government we can observe a sharp turn in the trends describing central executive agencies' proliferation and autonomy. This turn is depicted in the below figure.
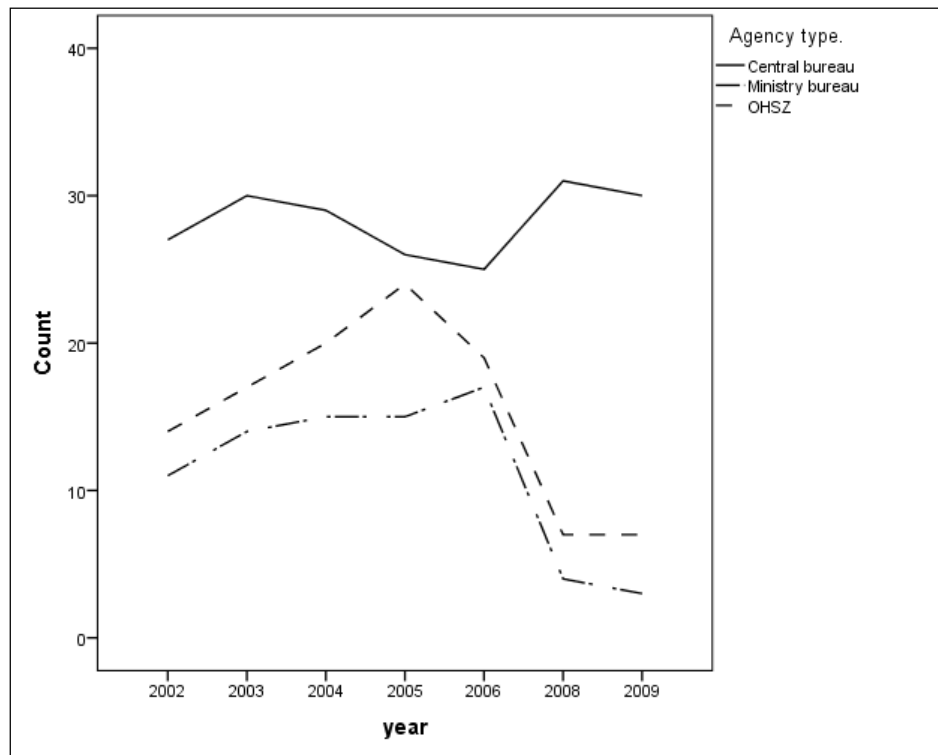
As the figure shows the proliferation of central executive agencies has been a constant trend up until 2006. There were similar processes in other related organizational fields such as public foundations, public utility companies and other types of 'quangos' used to provide services of public interest (policy fields related to e.g. sport, culture and Hungarian minorities living abroad). Moreover, during this period not only the number but also the formal, structural autonomy of these various types of agencies grew (Hajnal and Kádár 2008, Hajnal 2010, Hajnal 2012).

In 2006 a sharp turn affecting every aspects of this trend occurred. Re-absorption of previously outsourced agencies into their parent ministry, agency mergers and a decreasing level of structural autonomy with regards to remaining agencies were the most important elements of this U-turn (Hajnal 2011, 2012). In this 2006-2007 period not only the substance of the government's administrative policy changed but the intensity of the changes significantly increased too. The new administrative policy was triggered by two motifs. The first one is the strife to strengthen political control. This claim is supported by views expressed by important governmental actors, emphasizing the role of Prime Minister Gyurcsány's intention to personally control key policy areas (Lamperth 2014). A second motif seems to be the perceived need to contain the ensuing budgetary and administrative crisis, which

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– according to observers – required, among others, centralization of power too since "ministries would never transform themselves" (Sárközy 2006).

3.3 Operations and work processes

The keywords (or, possibly, buzzwords) of operations related reforms in the examined time period, as appearing in policy documents and government rhetoric in general, remained at a fairly high level of abstraction. They include elements such as "servicing" (client oriented) state, uniformization of (administrative) service points, revision of administrative services and service processes, development of e-government services and the governmental ICT infrastructure, introduction of quality assurance and quality management systems, performance measurement, and application of cost-efficiency and cost-benefit analysis.

With regards to the 1998-2002 governmental period the improvement of operations and work processes within the central state administration is well summarized by a head of section in the PMO. According to his account actual reform steps to measure and increase the performance of ministry and agency activities (such as performance assessment and cost-benefit analysis) largely remained in the phase of "thinking about how we should do this" – e.g. reviewing specialized literature, organizing training events, and commenting draft project plans related to the topic (Békefi 2000). Actual implementation of such ideas of performance management in general was scarce. An exception to this general pattern was the case of the individual performance assessment scheme of civil servants, having been introduced on 1 January 2002. We will come back to this in the next sub-section on civil service.

The client-orientation of central state administration was to be improved by so-called "tele-house" programs (aimed at creating community centred service points offering access to basic internet/ICT and administrative services in typically rural areas). These "tele-houses" still operate at the time of writing, however their actual utilization and esteem lag behind the original hopes.

In terms of quality assurance and management initiatives a number of administrative and social service organizations introduced ISO systems. Moreover, an – although much more modest – proliferation of the so-called CAF (*Common Assesment Framework*) quality management systems can be observed in this period (Dudás 2002).

The Government Program of the first Gyurcsány Cabinet [Magyar Köztársaság kormánya 2004] pronounced in its section on "The servicing state" that in accordance with the EU's expectations e-government capacities should be developed. In particular, the "infrastructural preconditions of modern, rapid, client oriented administrative services" were to be created. Pursuing this objective various online platforms were developed such as the Internet Based Public Administrative Service System and the Virtual Registration Office (XR) where clients were able to initiate 25 types of administrative cases, and fix appointments to another 80 types of cases. The most important achievement of this time period was the government's virtual one-stop shop called *Ügyfélkapu.* This

offered integrated access to existing online platform as well as additional possibilities for registering companies, downloading and submitting forms necessary for administrative procedures etc.

3.4 The civil service system

As we briefly noted earlier on 1 January 2002 a modified Law on Civil Service came into effect. Along with other pieces of lower level regulations this conveyed the introduction of individual performance assessment for the entire civil service – whether employed by central, territorial state administration or local self-governments. In addition to a compulsory assessment of personal performance, performance based incentives was also part of the reform package. However, these HR management instruments continued to exist only on paper or with minimal effects. (cf. Hajnal 2007, Gajduschek 2008).

As we already noted the second Gyurcsány Cabinet abolished the earlier setup, in which political appointees in ministries (including the minister, the political state secretary and the lower level political appointees) were in a position legally clearly separated from the administrative management (administrative state secretary, deputy state secretaries). According to the new model the minister and his or her deputy, the state secretary unite the political and the professional/technical competence and thus exert both administrative and political leadership over their ministry. The new system however met with widespread reluctance and rejection, mainly because the new state secretaries and ministers were, with minimal exceptions, figureheads with an unquestionable party political profile.

According to Gajduschek (2008:109-112), OECD and Hungarian official civil service statistics suggest two trends regarding the 1994 to 2007 period. Firstly, public sector employment exhibited a constant decline during this period, both in relative (to total employment) and in absolute terms. Secondly however, notwithstanding this trend, the number of civil servants did not decrease. To the contrary, there is even an increase in employment figure, despite the radical downsizing measures taken in 2006-2007. Not only these long term trends are spectacular but, even more so, the extreme short term (year-to-year) volatility of employment figures and trends. The most significant change to civil service policy occurred in the same, 2006-2007 period. Gajduschek describes this as follows. "From 2006 on – with the appointment of the new state secretary for civil service, declared policy goals changed significantly. The New Public Management ideology started to figure in relation to civil service policy. This involved elements such as the necessity to change civil servants' mentality, the emphasis on the performance principle and on approximating civil service salaries to those to be found in the for-profit sector (especially so in the case of management positions). Somewhat paradoxically, the actual instruments chosen to serve these ends– except for increasing managerial salaries – resemble those characteristic for career type civil service systems. Particularly so is the case with the new system of selection: albeit it exposes a number of problems this is the first attempt to introduce some sort of systematic and uniform selection procedure in the civil service. Another contradiction

with the NPM doctrine is the strong centralization of [human resource] decisions. […] The procedures related to the newly introduced system of performance appraisal and performance based incentive system are so bureaucratic that the emerging system does not resemble an NPM-inspired one" (Gajduschek 2008:52).

4. Illiberal democracy and "Orbanization" (2010 -2014)

4.1 The context and the key determinans of reforms

Right after its inauguration in spring 2010 the second Orbán Cabinet initiated a long series of broad-scope and radical transformation of every segments of the state machinery and government operations.

In a speech held shortly after the election victory Orbán called the elections a "revolution of the ballot boxes" targeting not only the very constitutional foundations of the political system but the entire economy amounting to, in the final analysis, a second – this time, as opposed to the 1989-1990 one: a 'real' – systemic change (cf. Korkut 2012 pp. 161 ff.). This message – repeated in similar forms on many occasions – made it clear that the scope of the envisioned changes is unprecedented. According to both supporters and critics the four years spent in government thereafter lived up to these ambitions indeed: revolutionary rhetoric was accompanied with a wholesale redesign of Hungary's politico-administrative institutions, most of its core policies, and the very role played by the state in government and society.

It would be both impossible and unnecessary to describe, in a sufficiently concise format, the institutional and policy changes having ensued immediately after the inauguration of the new government and characterizing Hungary's governance landscape throughout the entire parliamentary cycle. The most spectacular set of changes – thus reaching the 'detection limit' of international news media to the largest extent – are related to the formal (re)design of political institutions and of the – partly informal – ways they operate. A well-known instance of (the indeed quite modest number of) publicized attempts at overviewing these changes is presented in the European Parliament's Resolution adopted on 3 July 2013 on "on the situation of fundamental rights: standards and practices in Hungary" (European Parliament 2013). The resolution highlights major – and, from the point of view of fundamental rights possibly debatable or problematic – changes and tendencies in the following fields (note that all of the measures have been implemented relying on the governing party's parliamentary supermajority, in spite of the opposition parties' refusal and in the absence of substantive societal consultations).

- The adoption of a new Fundamental Law, the process being characterized by a very extensive and haphazard series of constitutional amendments. Nine amendments, in many cases triggered by day-to-day political needs of the government, to the old constitution were adopted within one year, and four amendments to the new one. Moreover, no or only a very limited extent of

consultations (let alone public referendum) about the text of the new Fundamental Law with the public or with the parliamentary opposition were performed (for a meticulous description and analysis of the process see Wiener 2013).

- Extensive use of so-called cardinal laws (the modification of which requires 2/3 majority) with the declared objective of entrenching current governmental policies for several electoral cycles. While some of the earlier cardinal laws were re-qualified as ones requiring a simple majority only, other laws on basic state institutions such as the one on the National Bank or the Budgetary Council became cardinal laws. In addition, laws on such value-laden issues as family affairs, national assets and the basic principles of the pension system became two-third laws too.

- Accelerated legislation relying on individual members' bills (as opposed to Cabinet bills) thereby avoiding administrative as well as societal consultations.

- Weakening checks and balances. One example for this is the successive weakening of the Constitutional Court's powers in response to the Court's negative decisions on government policies. The other one is the radical weakening of the role of Parliamentary Ombudsmen. Instead of four ombudsmen the new constitution stipulated only one; the tasks of the other ombudsmen were transferred to newly established central executive agencies (the real independence of which being strongly questionable; cf. Csink 2014).

- Administrative measures and procedural modifications were taken threatening the independence of the judiciary. A new National Office of the Judiciary was created, enjoying very broad powers and influence on judges' nomination and promotion and on allocating cases to judges. It is telling that the director of the new Office – elected by the parliament – has been, since the creation of the new body, the wife of a prominent government party politician.

- A broad-scope reform of the election system was initiated, entering into force immediately from the next elections, strongly favoring the incumbent party (and even including some elements of gerrymandering).

- Media legislation and the creation of a Media Supervisory Authority capable of constraining freedom of speech and regulating media contents in favor of the government. A new, unified, centrally supervised organizational structure was created that took over all the tasks in the field of producing media content (television and radio programs and operation of the national news agency)

- Freedom of religion became an important issue too, the new legislation vesting the state recognition of churches in a qualified majority decision of the Parliament (European Parliament 2013).

An important element of the 'grand' institutional transformation not emphasized in the above resolution and, oftentimes, the international news media report is the practice of nominating prominent party loyalists (former ministers, MPs and senior party cadres) and their close relatives to heads (or

leading officials) of independent institutions such as the President, the Constitutional Court, the State Attorney, the Budget Council, the National Bank and the National Judicial Council. Moreover, the tenure of most these positions has been extremely extended from 9 to 12 years, and their re-election tied to a qualified majority – all this serving the openly formulated goal of entrenching the 'central power position' of FIDESZ for decades.

The above list of the government's 'intervention areas' and related change measures materializes in high-level (often constitutional) legal regulations and thus are relatively easily noticed by international observers. Moreover, they relate to the 'macro structure' of political institutions. At a lower, meso level of administrative structures and practices one may nevertheless highlight numerous additional – possibly less spectacular but not less fundamental – changes. By their very virtue many of these lower-level changes do not entirely materialize in specific pieces of legislation, and thus can be sufficiently described and understood on the basis of other sources of information only, such as news media reports or key informants' insights. Some prime examples of these changes are as follows (for details see e.g. Ágh 2013, Hajnal and Csengődi 2014; Hajnal and Kovács 2013):

- Subnational structures became strongly centralized. The middle/territorial level offices of central executive agencies have been integrated into the newly created 'County Government Offices'. These entities are strictly controlled and directed by the government and headed by expressly political appointees (such as MPs of the governing fraction). Almost all functions and facilities of elected county self-governments (most importantly, those related to the operation of middle-tier public health, education and social services) were transferred to the new County Government Offices.

- In a next stage of reform elected local self-governments' scope of duties and competencies (many important functions in the field of operating secondary education and health care facilities) were dramatically reduced by transferring them to the newly created District Government Offices. The new District Government Offices are local arms of (and thus hierarchically subordinated to) the County Government Offices. The scope of the changes is well illustrated by the fact that local governments' budget shrunk, within one year, by approximately 80%.

- Consultative, tripartite arrangements having operated throughout the previous twenty years – such as the National Interest Reconciliation Council (OÉT) and the Economic and Social Council (GSZT) – were eliminated or replaced by non-functioning, quasi-consultative arrangements. Lower, sectoral level consultative forums (involving sectoral trade unions etc.) were eliminated or made otherwise obsolete too.

4.2 Structural changes

Above we outlined the broad context of political and institutional transformation, in which the – more technical, "lower-level" – reformation of the central state administrative machinery took place.

Overarching, key features of these changes are the ever-increasing process of centralization, the constant strengthening of the Prime Minister's and his immediate apparatus, organizational integration and the radical containment of ministries' and national agencies' number and their autonomy. The specific key elements of the transformation process are as follows.

The ministry structure of central state has been completely transformed. By integrating several ones of the previously exiting 13 ministries, 8 integrated "super-ministries" were created. According to the minister in charge of public administration reform, the goal of this measure was, in addition to cutting costs by realizing economies of scale, the "ensure that sectoral lobby groups do not fragment government policy, as it had been the case so frequently" (Navracsics 2012).

The institution of the Committee of Permanent State Secretaries (*KÁT*) – abolished in 2006 – got reinstated. Similar to its previous role it was in charge of administrative and political consultations necessary for achieving Cabinet decisions. In case the consultation remained unsuccessful the core ministry (Ministry of Public Affairs and Justice / MPAJ; *Közigazgatási és Igazságügyi Minisztérium*) frequently "used its power" do decide; "these decisions of MPAJ were usually accepted by the ministries" (Bíró 2014a).

The Prime Minister's Office (PMO) was restructured. Formally, it ceased to exist; in practice however it doubled. The Prime Minister's Cabinet Bureau (*Miniszterelnöki Kabinetiroda*) formerly having been situated in the PMO and having served as the core apparatus of the Prime Minister was re-named Prime Minister's Bureau (*Miniszterelnökség*). The coordination functions of the pre-existing PMO were taken over by the newly created MPAJ (Müller 2010b). The former became the key venue of political, while the latter that of administrative coordination (Bíró 2014a).

The balance between these two key oganiozational players kept on shifting thoroughout the post-2010 period. Between 2010 and 2012 MPAJ – and administrative coordination – played a key role in formulating and communicating government policy. Its pivotal role appeared not only informally but, in some respects, formally too. For example, managerial appointments throughout the central state administration were tied to MPJA approval (for an account of the state secretary of the MPAJ see Bíró 2014a). From 2012 on – in preparation to the 2014 elections – issues of political, strategic salience became prominent, strengthening the role of the Prime Minister's Bureau (ibid.). As a result such key policy areas and organizational capabilities as the Governmental Control Office (*Kormányzati Ellenőrzési Hivatal; KEHI*), the Information Bureau (*Információs Hivatal; IH*) in charge of foreign intelligence, and the Hungaraian Investment Promotion Agency (*Nemzeti Külgazdasági Hivatal*) got under the control of the Bureau.

The role of the Prime Minister continued the process of strengthening – this process having already started by the Law 2006/LVII. This involved, in particular, the following elements:

- The new constitution entitles the Prime Minister to decide on the central policy directions of the government. Further, it was stipulated on this constitutional level that the ministers' role is to represent the government policy towards their policy sectors, and not the other way around.

- Personnel competences of the Prime Minister were further strengthened. He became in charge of appointments for all senior appointments throughout the central administration (state secretaries, government commissioners and Prime Minister's commissioners; Mandák 2010).

- The Prime Minister became capable to issue legal measures without the formal oversight of ministers. The Cabinet's rules and procedures (Government Regulation 1144/2010. (VII.7.)) entitles the Prime Minister to release, in exceptional and justified cases, Government Decrees or Government Regulations. These have to be approved by the Cabinet only *ex post.*

On the sub-ministry level of central state administration one can observe two important changes in the 2010-2014 period. Firstly, the legal status of central agencies changed once again (cf. especially Law 2010/XLIII on central state administrative organizations and on the legal status of Cabinet members and state secretaries). From 2011 a new central agency category was created, the autonomous regulatory agency (*önálló szabályozó szerv*). This is a novelty in central state administration because, unlike all other central agencies, they can be created/altered only by a qualified (two-thirds) majority decision of the Parliament. The specific instances of this new agency type are the Public Procurement Authority (*Közbeszerzési Hatóság*), the Competition Authority (*Gazdasági Versenyhivatal*), the Authority of Equal Opportunity (*Egyenlő Bánásmód Hatóság*), the National Authority of Data Protection and Freedom of Information (*Nemzeti Adatvédelmi és Információszabadság Hatóság*), and the National Bureau of Elections (*Nemzeti Választási Iroda*).

From a legal-structural viewpoint, the typology of central agencies continued to be composed of two major categories.

a) Central executive agencies operating under the supervision of the Cabinet. This category includes two types: Government Bureau (*kormányhivatal*) and Central Bureau (*központi hivatal*).

b) Central agencies supervised directly by the Parliament. This category includes two types too: the Autonomous Regulatory Agencies mentioned above, and Autonomous State Administration Organs (*autonóm államigazgatási szervek*) – this latter category having already existed beforehand.

It is only the former category of agencies that belong to the realm of central state administration (i.e., the executive branch). Therefore we continue to focus on organizations and changes within this category.

Government Bureaus were few in numbers and little turnover occurred in the examined period: approximately 5 agencies of this type existed, with new entrant and one agency exiting the category.

Central Bureaus however constitute a much more dynamic and thus less transparent organizational field. The number of agencies in this category moved in the 25 to 30 range in the examined category. Constant restructuring measures hit particularly harsh this organizational field. A number of them were merged while some new ones were created and soon after that abolished. The frequency of changes is probably not unrelated to the fact that these decisions require only Cabinet, as opposed to parliamentary, decision.

The main features of executive agency types are overviewed below.

Table No. 3: Key structural features of central executive agency types (2010–2014).

Structural feature	Government Agency	Central Agency
Founder /statute	Parliament (Law)	Cabinet (Government Decree)
Supervisory organ	Cabinet	Ministry
Appointment and removal of chief executive	The Prime Minister (as suggested by the Minister in charge)	Minister
Salary of civil servants	Identical with those employed by ministries	Less than those employed by ministries
Participation in governmental decision making	May participate in KÁT May put forward an agenda item for KÁT through the supervising minister	May not participate in KÁT
Status in budgetary law	Separate section within the supervising ministry's main section	Separate section within the supervising ministry's main section

Source: on compilation on the basis of Law 2010/XLIII

Although they operate at a lower, territorial level of central state administration, it may be worth mentioning the development of administrative one-stop shops. The reason for mentioning this structural and procedural innovation is that it constitutes one of the few examples where, despite the clear presence of implementation problems and hidden, political agendas, some elements of a "good

practice" may be detected. The first phase of the development of administrative one-stop shopping started well before the "illiberal" era discussed in this section. General Registry Offices ("*Okmányiroda*") were established in the early 2000's as general-purpose offices offering, in a highly integrated manner, a broad range of administrative services and run by larger local governments. From 2011 onwards these were integrated into a broader two-tier (county and local level) network of administrative one-stop shops. Simultanously, their scope of tasks was significantly broadened so as to include not only delegated local governmental administrative matters but also central government tasks. Not less importantly, they got integrated into a nation-wide, centrally subordinated, politically and administratively tightly controlled hierarchy of county and local (*járás*) level Government Administration Offices. The resulting architecture of administrative one-stop shops (coined "Government Windows"; *Kormányablak*) constitute the flagship administrative innovation of the post-2010 era (for more information see Hajnal and Kovács 2014, Kovács and Hajnal 2015).

4.3 Operations and work processes

The reform ideas of the second Orbán Cabinet can best be re-constructed on the basis of the so-called Magyary-plans (MPAJ 2011, 2012). Main elements appearing in these documents include the following – in some cases somewhat obscure – ones:

- Compilation of a national registry of public tasks
- Simplification of government
- Deregulation
- Promotion of e-government
- Lessening administrative burdens
- Client orientation, development of access points for citizens to administrative services
- Simplification and uniformization of administrative procedures
- Ensuring equal opportunities and fair procedure
- Accountability and anti-corruption programs
- Pro-active communication, consultations.

This list to a significant extent overlaps with the ones characteristic for earlier reform epochs (e.g. deregulation, simplification, uniformization of customer services). There is larger difference in terms of implementation: while earlier reform intentions mostly resulted in no-action or quasi (symbolic) action only, this time the reform intentions seem to have enjoyed much stronger political leadership and ownership. Although severe critiques can be formulated with regards to how these various steps got implemented (for the case of administrative one-stop-shop reform see Hajnal-Kovács 2015; for the case of government ICT harmonization see Kovács 2014, Hajnal and Kádár 2015) it is difficult to argue that important changes did take place in the field of modernizing administrative processes.

The most visible, "flagship type" element of these reforms is the introduction of a new system of administrative one-stop-shops countywide, coined "Government Windows" (*Kormányablakok*). These offices started to operate on the county and later on the micro-region (local) level as general-scope, integrated administrative service points for citizens and private sector organizations. In 2014 they delivered some (varying) extent of services in 250 types of administrative cases.

4.4 The civil service system

The radical reshaping of state and government institutions did not leave the civil service system unaffected either. The Law on Civil Service, having served, albeit modified very frequently, as the basic framework of the civil service, was replaced in 2011 by an entirely new regulatory framework (Law 2011/CXCIX on public service officials).

The radical redesign of the civil service had started already before the adoption of the 2011 Law. Immediately after its inauguration in 2010 the new parliament modified the civil service law so that it became possible to fire civil servants without any justification. Moreover, the period of notice has been substantially reduced to two months. Such a regulatory framework – favouring employer interests to a similar extent – is unknown even in the most flexible civil service systems (such as the U.S. one – cf. Ferenczi 2012, Nacsa 2013). Although these new elements of regulation were annulled by the Constitutional Court this decision (Decision 1068/AB/2010) came into force only six months later, leaving another half year for the government to implement removal of unwanted civil servants.

Notwithstanding this Constitutional Court decision the new regulatory framework, coming into effect in 2011, continued including legal possibilities enabling "at-will employment" in civil service. Most importantly, the employer was given the legal possibility of firing civil servants without any objective reason (on the basis of such grounds as "loss of confidence" in the employee by the employer, or "indignity" (Ferenczi 2012).

The room for collective bargaining and civil service unions was, likewise, almost entirely removed from the system. Unlike the previous legal framework (in effect from 1992 to 2011) the new one practically eliminated the role of civil service unions by creating a corporativist style Hungarian Civil Service Corps (*Magyar Közszolgálati Kar*), with compulsory membership of all civil servants (Nacsa 2013). Possibillities for collective bargaining got seriously weakened to (ibid.).

Centrally exerted political control over civil servants was further extended and strengthened by the new system of recruitment and promotion. As we already mentioned in the new system from mid-level management levels (*főosztályvezető*) upwards managerial appointments require the approval of the administrative state secretary of MPAJ. Albeit this centralizing step was officially justified by the need to ensure universal standards of professionalism and merit in managerial appointments, this argument seems weak as no speicifc promotion criteria underlying these standards have been elaborated and applied (Müller 2010b).

The only change to the civil service system that could be interpreted as strengthening the ethos of traditional, merit based civil serveice is the re-instatement of the administrative (permanent) state secretary position and that of the institution of the Committee of Permanent State Secretaries (*Közigazgatási Államtitkári Értekezlet / KÁT*) abolished in 2006. There is a definite rationale to ensure the separation of the realm of politics and administration within ministries on the basis of the Administrative State Secretary position; i.e., the administrative realm, composed of career civil servants, operates under the Administrative State Secretary while the world of politics is represented by expressly political appointees, overseen by the Political State Secretary. However there is significant consensus in the literature that in reality, in contrast to this blueprint, the political neutrality of administrative state secretaries is strongly questionable, which deems the whole idea of separation unworkable (Gajduschek 2011, Müller 2010b, Szente 1999). This view is supported by biographic information of administrative state secretaries of the second Orbán Cabinet: "Most present-time administrative state secretaries and deputy state secretaries are linked to the governing parties" (Müller 2010b).

Conclusions: Hungarian reform patterns

The above overview of Hungary's post-transition central state adminstion reforms offers several conclusions. From 1990 to 2010 we might conclude that reforms delivered much more on rhetoric than on actual transformative measures – let alone reform outcomes. Most reforms pursuing the state objectives of simple and cheap government, client oriented public administration, performance management etc. usually got stuck, using Pollitt's (2001) categories, on the level of reform discourse and formal decisions and did not reach the level of actual implementation. As other observers noted, "the rhetoric and the real practice of administrative reforms are unbounded" (Kádár 2006).

The factors underlying this pattern are probably multiple. One may hypothesize the presence of such elements as weak political support for, and strong (organizational) political opposition to reforms; the lack of resources (material, informational, political etc.) necessary for implementation; and a general weakness of governments' capacity to think and act in a consistent and systematic manner (Kádár 2006).

Apparently somewhat contradicting to this pattern some changes did occur to the central governmental administration and human resource management framework. It seems however that most of these changes did not occur as a result of some grand design and a set of conscious efforts to reach general policy objectives. Rather, the short-lived windows of opportunities created by momentary constellation of political and organizational interests and by bureaucratic pressures exerted by ministries seem to have a key role in these changes (Gajduschek 2011).

This period was thus characterized by constant conflict and bargaining among stakeholder / interest groups and successive compromises regarding central policy objectives – in sum, something similar to Lindblom's (1956) "muddling through".

In the post-2010 years both the government's policy and decision style and the substance of these decision changed radically. A practically unlimited dominance of the majority principle led to a quick and fundamental re-shaping of central state administration (and indeed the entire political system). Earlier concerns of an "illiberal turn", understandably, substantially strengthened after the unfolding of the above dynamics (see e.g. Rupnik 2012, Scheppele 2013). Various analyses often highlight the swing-of-the-pendulum nature of the changes: namely, that excessive centralization of power and the elimination of its balances as well as the rejection of external (EU / IMF etc.) constraints should be seen in the context of the excessive 'paralysis' and 'impotence' of government characterizing the previous epoch of CEE post-transition history – resulting from the overpower of such institutional and external checks and balances (Sárközy 2013, Smilov and Krastev 2008).

There is, of course, a substantial extent of disagreement among observers. Not discussing these – numerous – issues the relatively consensual claims among more (such as Kornai 2012, Sárközy 2013) and less critical analysts (e.g. Gallai and Molnár 2012; see also Gellén 2013) of administrative policy of the second Orbán government can be summed up as follows. Firstly, an important change has taken place since the beginning of the 2010-2014 government cycle. Secondly, this change is characterized, among others, by strong centralization of bureaucratic control over central government, deconcentrated (territorial) central government and (elected territorial and local) self-governments alike (whereby 'bureaucratic control' includes both stricter regulatory frameworks – 'more red tape' – and, in particular, a radical concentration of discretionary decision powers in the highest echelons of the politico-administrative machinery). Finally, the markedly 'political' nature of government is strongly enhanced throughout the entire domain of public administration. Examples illustrating this point include the creation of the expressly political figure of County Government Commissioner, the changing position of local government offices' Chief Executive Officer who became – in sharp contrast to the previous twenty year – subordinate to the Mayor, or the Minister of Public Administration and Justice's right to approve and remove all senior managers throughout the entire spectrum of central state administration.

It would be a difficult task to give a compelling overall assessment of the past 25 years of post-transition development. Somewhat intuitively we may, however, risk some broad – and partly admittedly subjective – evaluative claims. Firstly, Hungary's development path seems to be anything but linear. Until the massive transformations of the post-2010 Orbán era started it seemed reasonable to assume some sort of a convergent movement leading Hungarian central state administration towards and ever-more European and Westernized mode of existence. (Note however that some authors – most importantly, Körösényi 2016 – locate the main trend change differently, and identify 2006 as the

beginning of the current historical epoch. These researchers however usually approach the subject from a primarily Political Science perspective.)

Despite some extent of controversy and debate in scholarly and political discourses the assumption of such a historical movement, even if slow and uneven, was rarely questioned. The illiberal transformation of the post-2010 years however revealed with brutal clarity that this is not the case. Moreover, in the light of these changes even many of the earlier change patterns gain a new type of significance. The quest for ever-larger and increasingly centralized political control by whatever – formal or informal – means has already been a core element of almost all governments since the late 1990s. It seems it was more the opportunity – entailing both internal political power relations and external, international conditions – rather than the intention and the (political) "demand" that prevented such changes from happening throughout the decade leading up to 2010.

Secondly, however, these illiberal changes can be conceived of, at least to a certain extent, as some sort of responses to real, pressing and sometimes even devastating incapacities of the central state apparatus and functioning. Structures and modes of state functioning having emerged in the process of post-communist transition featured a broad array a dysfunctions, many of which may be understood through the methophore of swinging pendulum; that is, as the antithesis of an overcentralized and politically overcontrolled communist system (cf. Hajnal 2006, 2010). Many of the illiberal reforms tackled and/or were triggered by these dysfunctions – of course, in ways vastly varying in terms of their adequacy and conformity to any received standards of good governance. A deeper understanding and assessment of not only these developments of the (recent) past but also of the future choices and trade-offs require, therefore, a nuanced analysis taking into considerations the historical challenges still being faced by Hungarian – and, in a broader sense, CEE – societies and reforms alike.

Thirdly and finally, one may feel tempted to draw some overarching "lessons" from the experience of the last quarter century of Hungary's central administration– that is, evaluative or normative claims transferable to other, similar contexts. In our view, however, the difficulties of doing so extend beyond the general conceptual and methodical difficulties inherent in "lesson-drawing" (Oliver and Lodge 2003); there are few, if any, true "success stories" of the post-transition decades. With some extent of benevolence one could refer to technological improvements in public administration client / administrative services. The most significant one of these has, so far, been the Government Windows innovation, involving a nation-wide structure of administrative one-stop shops and briefly discussed in Section 5. Whether and to what extent this can be really regarded as a "success story" and, especially, as a candidate for international "lesson drawing" remains to be seen in the light of longer-term developments, allowing for some assessment of its outcomes.

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Public administration reforms in Poland

Andrzej Zybała

Structure of the article

The primary theme of the article revolves around the selected areas of governmental public administration: (1) briefly explained historical trends, (2) recent development starting from the beginning of 90´s in reforming the public administration concerning recruitment rules, especially for senior positions. Then the author analyzes the structural problems he identified: (3) political neutrality (in other words politicization), (4) etatist model of public governance, (5) human resources management, (6) deficit of analytical skills, (7) inadequate organizational culture.

These aspects seem to be crucial to be able to adequately characterize main problems as well as challenges in the public administration in Poland faced within last two decades. The author's final view is that the political class failed to create an effective administrative system which would be helpful for the country undergoing very deep systemic transition from communist period of the time. As a result, government performance failed in many sectors which are fundamental to citizens' well-being and to economic and social development. Public administration in Poland has been strongly fragmentized and it seems to be a major problem, apart from a far reaching politicization and lack of merit system. The public administration in Poland seems to be underdeveloped in many areas of administrative activity, mainly in terms of the ability to use modern management tools, as well as in terms of programming and implementation of public policies (and employing instruments of evaluation, auditing, as well as organizing public consultation and deliberation).

In the current analysis, the author does not include that part of the public administration, whose job is to deal with providing different types of services relating to issuing identity documents, different types of permits etc. It would be fair to say that the quality of its operations has improved significantly across two decades and a large number of Poles are satisfied with the manner of its operation.

The article does not analyze also the self-government administration. The basic fact is that the Polish state has a very decentralized structures in public administration. There are three levels of self-government with extremely fragmented competences. It has been established finally in 1999 and later on no government initiated to rationalize a system of competences. The government which introduced the next level of decentralization has decided to transfer a production of majority of public services from a central level to local level, without funding them in a proportional way.

Introduction

Over the last centuries, public administration in Poland shared the plight of the Polish state. Starting from around the mid-seventeenth century, Poland as a country has been losing the ability to sustain independence. At the end of the XVIII century, it lost sovereignty to Russia, Prussia and Austria (the so-called third partition of the country occurred in 1795). It regained its independence only after the First World War.

The reason for the collapse of the state in 1795 is, among others, the fact that the ruling classes have failed to forge a modern model of public administration. There were many reasons for that. At the time the dominance of the nobility was a factor of great importance, especially when it comes to powerful magnates (active mainly in agriculture), who subordinated the state and its institutions as well as blocked the formation of professional civil service. Ruling circles of the day lacked the ability to produce modern state structures, including the ability to create the conditions for a professional clerical personnel. Not even the clear structures of the state were created (Bystroń 1976).

After the partitions, the conditions for shaping modern administration were very difficult. Different administration systems existed under different annexations, subordinated to the interests of the occupying powers. Officials' professional skills were quite low, they were poorly paid, especially under the Russian rule. In turn, in the Prussian annexation the process of the germanization of administration took place, meaning the removal of Polish officials and the introduction of German ones. After World War I a legal basis for the appointment of civil servants was quickly created. In 1922, the parliament passed the law on the state civil service. It alluded to the Prussian-Austrian model of the state service (Gadowska 2015, p. 80). It was, however, amended several times. A sense of instability emerged. There have been attempts to modernize and strengthen the administration, but they did not bring lasting results, since the main barrier, that is the politicization of the administration and its subordination to the interest groups (mainly the ruling class), remained.

In the times of Polish People's Republic (1952-1989) a public administration long functioned on the basis of the pre-war legislation, but the level of officials' dependence on the political leadership has significantly increased. In contrast, after 1990 public administration has not been recognized immediately as a top priority to be reformed (apart from the question of decommunization in public administration). It was only in 1997 that some important reforms were introduced, which, however, have not solved key problems, such as politicization, politically biased recruitment process, inadequate qualifications of the clerical staff, etc. The administration still remained an organism incapable of effective programming and implementing strategic policies. What is more, the public administration seems to be very fragmented institutionally as it comprises various legal systems which has been created for different kind of public offices and institutions. Many types of problems derive from the

fact that there is no consistent administrative tradition in Poland (Meyer-Sahling, Yesilkagit, 2011) as a result of various cultural and ideological trends visible in a social and political life.

1. Public administration before 1989

Throughout the ages, public administration in Poland was being underdeveloped in many domains in relation to the western countries' administration. The problem with shaping of the public administration derived from the fact that the rulers faced great difficulty while forming the structures of the state as such. For a long time Poland could not manage to create strong structures of governance, and public authority was highly fragmented. As Jan S. Bystroń, a prominent historian and sociologist, writes - until the end of the eighteenth century there was no administration in the modern sense of the word in Poland. Authorities of that time did not form a coherent structure. Their formal hierarchy did not emerge, and their powers have not been clearly defined. "... the whole great state was actually a group of vast quantities of tiny political organisms, connected rather externally with one another, living mostly their own enclosed lives" (Bystroń, 1976, p. 310).

Power remained divided between the king, who did not have a support of a strong executive body and the Parliament "which - according to Hubert Izdebski - formally decided on everything, but practically was paralyzed from the second half of the seventeenth century onwards." Marshals, chancellors, treasurers and commanders were appointed, but they acted alone, and coordination mechanisms on the state level were poor. "…various branches of the administration became sinecures for life in the hands of their actual holders, to the exclusive personal advantage of those highly-favoured dignitaries. The King could not call them to account for peculation or maladministration, and whenever the Diet ordered an inquiry to be made it was instantly "exploded" by some hireling of the incriminated dignitaries themselves" (Nisbet Bain, 1909, p.22).

On the territorial level, local councils ruled as well as county clerks were nominated by the king for life (provincial governors, castellans, district heads). There was no rational division of work between them, while certain customary forms and areas of operation emerged. Lack of consistency in the structure of the state and its administration also resulted from the existence of strong regional divisions. A King had a limited power over public administration as the Parliament decided in 1538 that he is not entitled to create new administrative structures on its own. That was the case until the state collapsed. In general, the noble class effectively prevented the king from strengthening the administrative institutions (Bardach, Leśnodorski, Pietrzak, 2001, p. 228). It strongly perceived the king's institutions as a direct threat to its liberty. As a result, Poland began to emerge as a state of chaos.

H. Izdebski writes about stagnation in the development of offices - a source of the state's weakness. The practice of vending the offices often took place. It existed also in other countries, but in the case

of Poland, it had much worse consequences. In France, the aristocracy took over offices, and yet did not block the development of a professional bureaucracy, whose members came from the middle class, and were usually better educated than the clerks in the Polish offices derived from a noble class (Izdebski, 1997, p. 49).

The most visible attempts to modernize government and state structures have been undertaken during the Enlightenment. In 1775 an institution called the Permanent Council (Konopczyński, 1986, p. 208.) was established as a system of government as well as administrative authority[76]. W. Konopczyński, historian, called it the first in the modern Poland, "supreme administration set up in an European way" (Konopczyński, 1917). In a political sense, it remained under the considerable control of the countries which later conducted the partitions.

During the partitions the administration was divided between Russia, Prussia and Austria that conducted the partition of Poland. They had different administrative systems. Relative autonomy was visible under the Austrian ruling. The situation was much worse on the Russian terrain of annexation because its administrative system was based on the arbitrary use of power, especially after the subsequent armed uprisings. Under the Prussian ruling there was a process of removing the Poles from the public administration in order to replace them by German officials. At the same time the Prussian system was based on the concept of _Rechtsstaat_ (expressed in German language), which meant a concept of "legal state" or "state of law". So the public decisions had to be based on legal regulations taking into account constitutional rights of citizens. Formally it was conducive to Polish interests but in reality it was very difficult for the Poles to achieve its national goals as a result of lack of economic capital.

After World War I, when Poland regained its independence, the administration of an independent state was gradually reconstructed. In 1922, the parliament passed a law on the state civil service, which defined the structure of officials' employment. It alluded to the Prussian-Austrian model of the national service as a separate body of employees (Gadowska, 2015, p. 80). However, the Act has been amended several times. The officials had a feeling of high instability. The rulers made attempts to modernize and strengthen the administration, but they did not bring lasting results, since the main barrier, that is the politicization of the administration and the subordination to group interests, remained.

In any case, the legal status of civil servants was being regulated, two categories of state service clerks were separated – officials and lower functionaries of the state, 12 official degrees were established. The category of appointed officials was introduced – they enjoyed a certain stability of employment. With time, however, more and more reasons were introduced for them to be expelled from the office.

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[76] Permanent Council acted in the years 1775-1788 and 1793-1795, that is, until the partitions of the country.

However, according to some scholars' assessment, the model of Weberian bureaucracy was established. Clerical staff, who treats their work as a mission to the state, was formed.

Now, let's take a look at the times of Polish People's Republic (1952-1989). The political authority subdued administrative staff and it represents a specific feature of the communist period of time in the state affairs. Already in the 50´s some regulations were introduced, which did not require from those willing to work in the administration to possess any specific set of qualifications. What was being counted was the loyalty towards the ruling party, but that was nothing new in Poland. It was a case in the previous periods, although on a smaller scale. At the same time during the communism mostly pre-war regulations remained in force, such as the state Civil Service Act from 1922, which was repealed only on 1 January 1975. Since then, employment in the administration has been carried out on the basis of the Labour Code. Changes in this respect occurred in 1982, when a law was passed on employees of government offices, a law, which aimed to raise the profile of administration officials. The principle of preparing to the job of an official was introduced. So was the periodic assessment of qualifications. Attempts to build the civil service with distinct characteristics compared to other professions were visible. According to K. Gadowska, the new legal regulations did not change, however, the way the administration was functioning. The fact that the clerical profession did not enjoy social recognition, and officials were underpaid, was also very characteristic. Generally, during the communist times the public administration was affected by:

- politicization of the civil service (nomenclature system) including system of recruitment (not based on merit),
- inadequate and rather low skills on the side of clerical staff,
- unclear rules of management,
- low level of policy capacity, lack of capacity to play strategic role,
- intense centralization in decision-making, domination of "silo" ministries,
- lack of social control,
- clientelism and cronyism.

2. Public Administration after 1989

After 1989, the first non-Communist government promised to implement administrative reforms, but in fact, their top priority was limited to decommunization of the administrative staff and to ensure that civil servants would serve the new regime and be loyal to new ministers (Zybała, 2006). This was achieved, however not through introducing politically unbiased recruitment system and merit system, but through voluntary decisions to hire people who enjoyed the confidence of ministers.

Scholars agree that for quite a long time there were no significant reform projects aiming to structurally modernize public administration. Some scholars suggest that this was a result of specific

drift, or even chaos in the public sphere (Orłowski, 2010, p. 15). K. Gadowska writes openly about negligence concerning the administration as a subject of the reforms (Gadowska, 2015, p. 5). According to the experts "then-elite ignored the issue of public administration" (Gadowska, 2015, p. 93). It also resulted from the fact that for quite a long time political community has not treated the public sector as a strategic national resource that defines its ability to govern and implement strategic public policies. A popular media and journalistic discussions reflected the public administration as the minor concern. International scientists and experts tend to share the above-mentioned remarks and they were referred to the general situation in Eastern Europe. Eric M. Rice wrote: „The governments of Eastern Europe have paid almost no attention to civil service reform, even though it is their civil servants who must implement planned reforms. They are relatively uninformed about the systems' operating methods and capacities, as well as the current skills, knowledge, and attitudes of civil servants" (Rice, 1992, p. 120).

Public administration was mainly regarded as bureaucracy and the general public expected to reduce it in order to limit an impact of bureaucratic bodies on citizens and the economy. At the same time in 1991 The National School of Public Administration (KSAP) was created, based on the model of the French Ecole National d'Administration (ENA), where non-political officials were educated to higher positions in the civil service in the dozen-or-so monthly mode. The school did not have, however, a wider impact on the functioning of the administration. It educated every year about 50 people in the 90´s, but about half of them left the public administration after at least 5 years of obligatory employment. Very few graduates achieved higher positions in administrative structures.

After 1989 all ruling parties, as well as largely the whole public, saw the restoration of stability in the economy as the most pressing problem. The economy was affected by high inflation, and was fraught with a number of structural weaknesses, such as high monopolization, low productivity, and the like. Hope to improve the standard of living, which was still low after 1990, was associated with economic reforms.

The first systemic changes in the administration were introduced on the occasion of the reforms that have taken place in other spheres of functioning of the state, for example, when reforms aimed at decentralization of the state were carried out. Local administration was established when local municipalities were created in 1990. In 1999, the second and third levels of local government were established, which also meant an increase in the size of local government administration. In addition, there were changes in the structure of the administration as a result of the formation of regulatory agencies responsible for regulating selected branches of economy. The process of deconcentrating some of administrative institutions began[77]. At the same time a large part of it remained significantly

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[77] The Energy Regulatory Office, the Commission for Banking Supervision, the Office of Competition and Consumer Protection, the Public Procurement Office, the National Council of Radio and Television would serve as examples.

fragmented into various small institutions characterized by a little potential to cooperate and create a synergy effect within a larger network of public bodies.

I

First major reforms of the internal structures of governmental administration have been implemented in January 1997 on the basis of legislation from 1996. Since then on each ruling party has been changing regulations, although the changes related mainly to the way of filling senior positions in the civil service. Those in power wanted to make sure their trusted people will be recruited for the senior posts.

The government[78] which took office at the end of 1993 introduced a package of regulations as above mentioned in 1997 (Civil Service Act) and that created new framework for the public administration in Poland. Formal separation of politically neutral civil service corps and the political class occurred. So the civil service was meant to be politically neutral by nature. Positions of the minister and deputy ministers were considered political, whereas in the apolitical civil service departments the general manager of the office held the highest position. He was responsible for the functioning of the office, regardless of political shifts. The apolitical body also included directors of departments and their subordinates. The principle of appointing a policy officer – on the basis of nomination – for an indefinite period of time was introduced. The legal act ensured the stability of the officials' employment. Dismissal could occur in exceptional circumstances, such as breaking the law. Political offices of ministers were also introduced. The minister could employ his political advisors (these offices still operate, but they usually employ political assistants, not policy experts).

According to at least some experts, adopted solutions meant to be based on the French model of public administration. This model assumes that the civil service is a separate career path (career-based system vs. position-based system). Officials are to be hired on the basis of a separate law (i.e. not only on the basis of the Labour Code), they have high guarantees for the maintenance of employment for an indefinite period, some are employed on the basis of the nomination. At the same time special conditions for people who have applied for employment in the administration were imposed (e.g. lack of criminal record, a ban on running a business, etc.).

In addition, a post of the Head of Civil Service was introduced who is appointed by the Prime Minister to whom he is subordinate. His tasks included implementation of the state policy towards the civil service, coordination of activities, planning of trainings, creation of the system of remuneration, collection of data on the civil service, classification of positions and so on.

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[78] This government was set up by the Democratic Left Alliance (SLD), left-wing political party and the Polish People's Party, an agrarian and Christian democratic political party.

Recruitment procedures were defined, as well as the concept of the civil service corps, made of civil service employees and civil service officials (the latter were appointed and are still being treated as a circle of officials intended to take over senior positions). Four categories of the clerical employment were established, including category "A", which consisted of people capable to occupy senior positions. The "S" category included people with specialized professional qualifications.

The Civil Service Council was established as an advisory body. The Prime Minister was responsible for appointing the members for a time for 6 years, including civil servants who were given one third of posts within the Council.

II

The Act, however, did not last long in the shape described above. The new government[79] which took office in 1997 decided to put across "their law", which entered into force on 1 July 1999. It did not introduce significant structural changes (Gadowska, 2015, p. 121.), but allowed to halt hiring decisions taken by the previous government. It was meant to make sure those they trust will be employed in the public administration.

As part of the reform the position of the Head of Civil Service remained and – as a new ingredient – the Civil Service Office was created for this official. It was to prepare a yearly report on the status of Civil Service. The office was also responsible for recruitment process, and it had to announce vacancies in the Bulletin of Civil Service. As K. Gadowska writes, for the first time in Poland and in Central and Eastern Europe an "open and competitive system of recruitment to clerical posts" (Gadowska, 137) was introduced. But at the same time there have been many cases of employment omitting competition procedures, or violating their spirit. Formally, only civil servants (those who gained the status of civil servant by nomination) could enter the competition for higher positions. However, the regulations were implemented to allow participation of the employees without the nomination within the first five years after the entry into force of the regulation. Politicians of the ruling coalition claimed that there were not enough candidates who met the criteria. But the intention was clear, it was about the possibility to employ people having political connexions. However – according to the Head of Civil Service – the quality of the clerical staff has improved significantly as a result of competition (Gadowska, 2015, p. 144).

Governmental administration employees were divided into two categories: employees of civil service corp and civil servants of civil service corp. The employee meant a person employed on the basis of employment relationship in accordance with the law, while civil servant's employment was based on the nomination. The post of the Director-General was introduced in the offices and it was the highest position held by the member of the civil service. His role was to administer the office as a whole,

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[79] The government was set up by the Solidarity Electoral Action, a political party coalition, political arm of the Solidarity trade union and the Freedom Union, a liberal political party.

ensuring continuity of the work, providing good work organization. In fact, he/she played the role of employers to their employees. The Director-General reported directly to the minister.

In addition, a 6-month preparatory service for new employees was introduced. Civil servants were subjected to periodic assessments every two years. Their supervisors were asked to formulate proposals for a development program for each employee.

The system of nominations for the official's position was significant. Nominated officials consisted of a reservoir of people who could seek top positions in the civil service. They achieved the highest level of employment stability. A person who has been working for at least two years, knew a foreign language, and had a master's degree could apply for the nomination. It was assumed that about 15 percent of civil servants could get it (associated with higher wage and the right to a longer holiday). Special rules for the examinations of those who wanted to obtain the nomination were created.

In addition, the Civil Service Council, now numbering 16 people and elected for six years, was retained. Half of its composition was to come from the parliamentary clubs.

III

The next government[80] (2001-2005) also amended the Civil Service Act of 1998, structurally general framework remained unchanged but transitional provizions were introduced which allowed to employ candidates from outside the civil service corps for senior positions in the civil service, without organizing a competitive procedure, based on fixed-term contracts (Gadowska 2015, p. 150). The process of politicization of the administration grew stronger. However, the Constitutional Court challenged part of the regulations (Rule 144a), which concerned the possibility of employing people from outside the civil service corps to a managerial position. However, in this period, many people from outside the body of the clerical leadership positions were employed as acting directors. Many officials without a political connexions were not accepted by the new government and lost their positions or were transferred to other offices. Sometimes the decision of reorganization of the offices was made in order to get rid of certain officials. Quite often organization of the competitions was delayed in order to extend the period of employment for people who served as directors and who enjoyed political support. In addition, in many cases competitions were organized to ensure people that were employed as acting officials, turned out to be winners. For example, in 2004, 557 out of 1590 senior positions were given to the people previously employed as acting officials. In the entire period of the rule of the Prime Minister Leszek Miller only 20 percent of senior positions were filled by competition (Gadowska, 2015, p. 165). There were cases of delaying granting positions to those who have won competitions, but were not supported by the political leadership.

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[80] This government was set up by the Democratic Left Alliance (SLD), left-wing political party and the Polish People's Party, an agrarian and Christian democratic political party.

In addition, there were also many irregularities in filling lower positions (lack of information about competitions in the Bulletin of Public Service, or requirements of the competition formulated in a way that only selected people met them). People supported by politicians were employed in the state budgetary units, where there were no employment obligations under the Civil Service Act. At the same time there was reluctance towards hiring of graduates of the National School of Public Administration.

New regulations regarding the competition procedures were introduced at the end of the government of the Democratic Left Alliance. They improved the situation of people who did not have political support. New rules meant that access to information about competitions became easier. The regulations required disclosure of information about candidates and the results of the competition. They hindered capacity to serve as directors in the form of acting officials.

IV

The right wing government[81] (2005-2007) that took office at the end of 2005 decided to completely change the general framework for the public administration. Its main intention was to be able to employ as many people with "proper connections" as possible. Politicians from this party showed a particular distrust of the existing staff employed in public administration. They considered them to be politically engaged, dependent on various lobbies etc. Earlier they preached the need for far-reaching decommunization within the administration.

The Parliament adopted three new laws on 10 March 2006 and on 24 August 2006, which set up the National Reserve of Human Resources (PZK) consisted of people the government could employ in the public administration on higher positions. It allowed to employ employees from other types of public offices, without competition, which are not included in the government administration (e.g. from self-government offices, from the Supreme Audit Office).

Thanks to the new legislation they could be given the status of civil servants and could be appointed to top positions, which until now have been reserved for civil servants - those employed in the civil service by nomination. They didn't have to, therefore, participate in contests (they were delegated to high state positions from institutions, which previously employed them). The new rules abolished competitions (Gadowska, 2015, p. 192) for senior positions in the civil service.

The government of the time wanted to employ trusted people in the central administration, those, who worked in other state offices (as previously mentioned, in Poland there are several types of public offices, which are governed on different legal systems). And it was a case to a certain extent. During

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[81] It was a right-wing government set up by the Law and Justice party, the League of Polish Families, a nationalist conservative political party and the Self-Defence of the Republic of Poland, an agrarian party (it combines rather left-wing populist economic policies with religious conservative social policies).

the period of the new regulations, 2018 people were nominated to higher positions and 882 were called off their positions (Gadowska 2015, p. 208).

In addition, the post of the Head of the Civil Service was abolished and The Civil Service Office was closed down (its tasks were taken over by Prime Minister's Office). So was the Civil Service Council (in its place a similar body was set up under the name of the Council of Public Service). Some of the provisions were left, such as the formulation of an interim evaluation by a supervisor. The distinction between civil servants and civil service employees was retained. The post of Director General of the offices reporting to the Chief of the offices was also kept.

The new regulations have generated significant criticism presented in many media, also delivered by well-known experts, who argued that the new legislation would cause even bigger loss of autonomy by the administration, and that politicians would decide about the employment. They believed that this would contribute to intensification of the political clientelism and servility. At the same time, according to one of the respondents in the research study, the ruling did explicitly what others were doing quietly (Gadowska, 2015, p. 203). Some publications pointed out, that as a result of these changes the increase in corruption was visible (Ernst&Young 2008, p. 8). Certainly there has been a significant rotation in positions. In the first half of the year 2007 there was a 12.8percent rotation, and in some offices even more than 30 percent (Gadowska 2015, p. 208). But it could have been caused not only by political factors, but arise because of low wages in the administration.

V

The subsequent government[82] (2007-2015) restored previous regulations. But the model of subordination of administration to the political class remained preserved in various forms.

First, the new government took advantage of the previous government's regulation on the National Reserve of Human Resources (PZK) to remove some of those in higher positions with political connection to previous government. 655 people with senior positions were exchanged (Gadowska 2015, p. 2016). Also people from outside the PZK were hired on managerial positions without a competitive procedure. This time they were given a title of "department managers" in order to bypass existing legal regulations.

The Government then restored in 2008 regulations known from the law passed in 1998. Again the law was implemented that required a contest to higher positions, as well as to other positions. Competitions are not organized, however, by the restored Head of Civil Service, but are held in the offices interested in employing new staff. Experts point out that no regulations were adopted specifying the mode of their organization. A representative of the Head of Civil Service doesn't have to sit in the jury, although he can control the course of the contests. Experts note that competitions are

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[82] This government was set by the Civic Plaftorm, an urban and liberal party and the Polish' People Party.

conducted according to very different procedures. There are no standards that would ensure optimal choices of candidates. The introduced solution, according to which two top candidates are selected during the competition, and the head of an institution chooses who he wants to work with, met a strong criticism as well.

It was also provided that higher positions may be filled by a transfer from another position or secondment from a managerial position in another office. It became the subject of experts' criticism. In practice, 61 percent of senior positions were filled in 2009 based on these regulations (Gadowska 2015, p. 252).

The Head of Civil Service reports directly to the Prime Minister, but the Civil Service Office was not restored. The law restored the 15-member Civil Service Council. This body consisted of representatives of all the parliamentary groups and representatives of the Prime Minister. It remained an advisory body to the Prime Minister. Its job is to express opinions, among others, in matters concerning the civil service, presented by the Prime Minister, the Head of Civil Service or the Council's own initiative. It can comment on the draft strategy for human resources management in the civil service, the funding of civil service, salaries in the government budgetary sector in the field of civil service, draft laws in the civil service, central training in the civil service, ethics of the civil service corps, the appointment and dismissal of the Head of Civil Service.

Civil Service Council also evaluates, among others, the conduct of qualification proceedings in the civil service, and may refer a representative to observe the course of the selection process carried out for a higher position in the civil service. [83].

The government, and especially the ruling party, showed reluctance to the public administration. It criticized its bureaucratic way of functioning, even a reducing of the developmental chances of Poland. During a time of the economic crisis, which began in 2008, the government threatened to reduce bureaucracy by which they meant reducing the number of officials. In 2012, the parliament passed a special law which assumed a mechanical reduction of civil servants by 10 percent in almost all offices. The Constitutional Court, however, questioned the law. But, the number of graduates of the National School of Public Administration was reduced, as well as the number of nominations. In addition, the government introduced a long-term freeze of wages in the administration. It was explained by the fact that there was an economic downturn, but officials perceived this as an aversion to their work.

After 2010 some attempt to carry out "soft" reforms was visible, aimed at increasing the efficiency of the administration. Some strategic documents of the state began to formulate the idea that the public administration is a strategic resource essential for the country's comprehensive development. In 2012 the government introduced regulations that were to define the framework of human resource

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[83] https://www.premier.gov.pl/wydarzenia/aktualnosci/powolanie-rady-sluzby-cywilnej.html

management in the civil service. It was an attempt to achieve a higher level of professionalism, superior performance. The Head of Civil Service set up an action plan where the main priority was to create a better environment to apply good management practices and improvements (Report 2013, p.8).[84]

The intention was to introduce some elements of human resources management in the civil service, better matching of skills with tasks. Activities in organizing human resource management, hiring and introduction to work, motivation, development and training, and termination of employment relationship were announced. Guidelines for office managers were created. But there were no tangible results of these activities. The impact of the implementation of several projects that were intended to improve the professionalism of the administration, and which were financed from EU funds, could be assessed similarly. According to the officials themselves there were no results of actions that were taken in order to improve training for officials and their professional development (Chancellery of the Prime Minister, 2010, p.11).

The government also tried to modernize the administration under the strategy named "Effective State 2011-2020" (Ministry of Administration and digitalization, 2013). But this is not a document focused on improving the functioning of public administration, but rather the general management mechanisms in the country. However, the processes of computerization of the administration were announced, as there is a low use of IT instruments (Chancellery of the Prime Minister, 2013, p. 15)[85], as well as greater institutional efficiency of the state including optimization of governmental organizational structures. There was a talk about managerial model of public management (focus on citizen and the dialogue, periodic measuring of results, the task-based approach), building of the so-called soft skills, as well as interpersonal ones, etc.

The strategy assumes that "Digital technologies enable the increase in government activities' transparency, the accessibility of public sector resources, the involvement of citizens in the governance and effectiveness of public administration" (Chancellery of the Prime Minister, 2013, p. 27). At the time of writing of this paper, no evaluation of the actions undertaken was available. Many experts have criticized it for excess of goals and unclear rules of its implementation.

VI

In 2015 parliamentary and presidential elections were once again won by the Law and Justice party, this time they can govern on their own. Within a few weeks of its reign the party introduced amendments to the law on civil service (at the very end of 2015). The highest positions have been

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[84] It has been based on the Ordinance No. 3 of the Head of Civil Service of 30th May 2012 on standards of human resources management in the civil service. It has entered into force on the day of its signature.

[85] The level of development of e - Government in Poland is among the lowest in the European Union. According to UN e-Government Survey, the index of development of e -Government in 2012 placed Poland at the 47th place out of 190 countries surveyed, and on the 24th place within the EU.

filled by nomination, including the director-general's office. Senior positions in the civil service are, therefore, excluded from the procedure of the open and competitive recruitment.

The post of the Head of Civil Service has been remained, but its influence over civil service is quite limited. The post can be filled by candidates with having five years of experience on a managerial position in government administration or seven years of management experience in the public finance sector units. The candidate doesn't have to meet the requirement of not being a member of any political party within the last 5 years. The Civil Service Council was abolished but a similar body, the Public Service Council, was set up in its place.

Much criticism was generated by new regulations regarding contracts for civil servants occupying higher positions. They were meant to be automatically terminated after 30 days from the date of the enforcement of the amended law, if these personnel were not presented with new work and remuneration conditions for a further period or if they do not accept conditions they were offered. The exception covered only nominated civil servants.

The opposition accused the government of liquidating a civil service in Poland. In their opinion Article 153 of the Constitution has been breached, which states that "In order to ensure a professional, diligent, impartial and politically neutral execution of the State activities, the civil servant corps acts in the government administration offices."

The ruling party argues that former regulations were fictional, while what is important is that the government needs loyal officials to implement significant policy reforms.

2.1 Structural efforts and unsatisfactory results

The above described reforms and changes aimed at characterizing the civil service system and especially showing the recruitment system designed for senior positions. Of course a public administration is much more complex and possess additional components. It would be necessary to describe a bigger set of issues around which some reforms were initiated like pay system, performance management, promotion rules, performance-based budgeting, informatization in public administration institutions, structural solutions on selected levels of state organization.

In truth, the reforms in these areas have not achieved its goals and even attempts to achieve have seemed to be quite modest taking into account the material resources engaged. They have never been on the top of the agenda. A good example seems to be a pay system. No government was able to deal with significant discrepancies in pay which still take place between similar jobs in various ministries (OECD 2013. p. 104). It made an effective administrative work impossible. "Poland is one of just six OECD member countries with no performance-related pay for central government employees (OECD 2013. p. 299). No government was able to implement a centralized salary policy for the civil service.

As was mentioned before, structurally Polish public administration has been strongly fragmentized and it seems to be a major problem, apart from a politicization and poorly developed merit system. There still exist few legal systems for separated public institutions, apart from governmental administration. One can mention, among others, an autonomous legal system designed for the Supreme Audit Office, the Polish Social Insurance Institution (ZUS), the Parliament, the self-government administration, executive agencies. It means that all of them have separate systems of recruitment, promotion, etc. and very few experts can claim a full knowledge of their internal affairs. So there exists a fragmented network of state-funded institutions and most of them are tasked with very fragmented policy mission to be fulfilled. From the point of view of average citizens there are simply "messy" organizational structures.

The separate story represents the self government administration. The basic fact is that the Polish state has a very decentralized structures. There are three levels of self-government with extremely fragmented competences. It was established finally in 1999 and later on no government has initiated to rationalize a system of competences. The government which introduced the next level of decentralization has decided to transfer a production of majority of public services from a central level to a local one, without funding them in a proportional way. This problem has been raised very early after the reform but with no result. Another set of problems concerns a high degree of politicization of local administration, inadequate skills, structural inconsistencies.

Most scholars claim that intense fragmentation seems to be a main feature of the public administration and as a result of that a coordination issue has emerged as a leading problem. It was meant as a coordination question on the level of policy formulation as well as on the level of policy implementation.

All of governmental cabinets wanted to alleviate this problem. The last cabinets aimed to strengthen a structure of Chancellery of the Prime Minister as a strategic center of government and as a place of strategy setting. This was attempt to improve the capacity to horizontal co-ordination to ensure consistency across various administrative structures. It has failed as a result of various deeply rooted structural inconsistencies being identified like "silos" ministries, spoils system (ministries usually belonged to political factions within ruling party).

The next attempt to modernize the public administration relates to the initiative aimed at streamlining a horizontal coordination and improving the strategic state capacity. The government of Civic Platform and Polish Peasant Party came up with another, this time very ambitious, program which in fact rather failed to achieve its goals. The different opinion was expressed by OECD experts but without providing with the evidence (OECD 2013, p. 63).

The goal was to strengthen the central government's capacity to articulate a strategic vision for the country through reshaping the process of strategy setting and create a clearer framework for the whole coordination on a state level as well as on regional level.

The governmental officials noted that there are too many strategic documents and some of them did not play a proper role as a real strategic guidance in action. There were over 400 single-sector strategies at the beginning of the 2000s (OECD 2013, p. 12). The governmental experts have consolidated them in a specific way. Finally they came up with a concept of nine nationally integrated strategies addressing cross-cutting issues plus a National Development Strategy ("Poland 2030") as a long-term strategy and medium-term strategy (National Development Strategy, 2007-2015). This program included a performance monitoring and assessment protocol that was to measure results against strategic outcomes on many levels. There is a widespread opinion among experts that civil servants find the new strategic system challenging and very hard to put into practice.

Another attempt to modernize the public administration refers to the concept of a better quality of law making. To achieve the goal many governmental cabinets after a year of 2000 were coming up with various initiatives aimed at improving law making capacity of ministries. The action plans were to make sure civil servants are better at employing instruments of law making like a regulatory assessment process. The coalition government of Civic Platform and Polish Peasant Party (2007-2015) has introduced new instrument in order to improve a legislative process - a regulatory test as a new stage of law making before a bill will be submitted to the Parliament. It aimed at imposing a pressure on civil servants to produce a better quality bills. The result has been rather mediocre for many reasons, especially as a result that the civil servants had have hard time generating and employing policy knowledge, including producing evidence referring to policy proposals.

Quite similar attempt to modernize a public administration relates to the programme on administrative simplification and reduction of administrative burdens. Every government wanted to improve an environment that is enabling economic competition and make things easier for entrepreneurs starting up new businesses (OECD 2011). The cabinets have introduced legal regulations directed at civil servants to make them more attentive to the needs of private businesses. If their business interest is damaged as a result of administrative action, they can be financially punished.

It is worth noticing also that attempts to reform have been undertaken, among others, under the banner of Europeanization of public administration. In general, scientific literature on this issue was extensive (Kudrycka 2008, p. 210). Many authors have pointed out that Europeanization played a role of a motivation, a kind of drive to reform the administration, through the process of adapting to the presence in the structures of the European Union, including the use of the EU funds. Some showed excessive optimism that joining the EU will significantly contribute to the modernization of public administration. This proved to be naive. However, some changes took place, new institutions emerged,

e.g. the new Committee for European Integration was formed in Poland, more strategic departments were founded, separate departments responsible for expenditure of funds were created. There are also new regulations concerning the development policy.

Kudrycka wrote in 2008 that Poland, and in her opinion, other countries (Czech Republic, Slovenia, Slovakia, Lithuania, Latvia, Estonia, Hungary) were in 2008 in the stage of the transformation of the public administration. At this stage, the governments of these countries not only tried to adapt their laws to the Community law, but also tried to undertake "organizational reforms, transforming almost every institution operating in the public sector "(Kudrycka 2008, p. 211).

The expectations of many scholars often proved to be exaggerated. As Attila Ágh rightly noticed „history matters" when we want to understand in a deeper way a dynamics of processes in public administration. He claims that a neutralization of the pressure of Europeanization was taking place in Central Europe as a result of historical legacies relating to traditional approaches to doing things in the public sphere (2013, p. 748). At the same time many social scientists did not take into account cultural factors that created barriers to modernization of the administration. On the other hand, they felt that some institutional changes will create a dynamic of profound changes in the functioning of the administration. Often, new institutions were only the expression of superficial changes. K. Jasiecki drew attention to the fact that researchers comparing the Polish public administration with the administration in the EU countries use the term "functional duality ". It means that the Polish government creates new institutions based on a model of Western institutions, but it is just a so called "ceremonial activity". Furthermore, the activity of such an institution does not bring the expected results (Jasiecki 2010). The ruling class creates a lot of informal mechanisms, where clientelism, not meritocratism, are of essence.

In general, the reforms aimed to improve a coordination and effectiveness encountered many serious obstacles, among others:

- lack of partnership between politicians which come up with reform proposals and civil servants,
- difficulties with managing conflicts of interests,
- poor implementation of ill-considered reform ideas,
- poor leadership and poor communication,
- inconsistent administrative traditions influencing a way of thinking about the administrative matters.

2.2 Critical assessment of Implemented Reforms

Most scholars, experts and politicians have claimed a low capacity of the public administration within recent years (Kamiński, 2008). Even many government strategic documents of the state formulate critical comments on the ability of the administration to play strategic functions in the state. Mainly

with regard to its capacity to implement public policies, i.e. the programming and implementation of public programs.

The strategic policy report "Poland 2030", which was issued by the government in mid-2009, points out that over the past several years, number of changes has been implemented in administration, but still "an organization was established, with complex and non-functional procedures that lead to operational inefficiency and blurring of responsibility" (Chancellery of the Prime Minister, 2009, p. 303). The authors argue that the administration lacks "knowledge and experience in the field of modern management techniques", has difficulty in keeping up with the civilizational and economic progress, as well as with changes in the geopolitical sphere. Administration lacks the ability "to properly determine and set the trend in 'public management', which becomes an obstacle to effective 'governance' of the country."

The "National Reference Framework 2007-2013" – the state's strategic report - says that the Polish administration rarely uses modern management methods in daily activities, and that its main drawback is the narrow scope of application of the process organization concept in carrying out its tasks. Such an organization is characterised by the fact that it is designed "from bottom - up", i.e. from design of procedures that allow understanding of the specific needs of customers whom it supports (Ministry of Regional Development, 2007).

In turn, the "National Development Strategy for 2007-2015" indicates that public administration failed - despite their efforts - to fully introduce modern management techniques. "Polish public administration is still characterized by systemic weaknesses resulting from historical events, as well as the lack of consistent reforms of its functioning. As a result, public administration shows a high rate of staff turnover and lack of appropriate incentive schemes" (Ministry of Regional Development, 2007). It is also negatively affected by low confidence in public authorities and institutions (Ministry of Regional Development, 2006, p 16).

The public administration, especially central one, and its problems, illustrate well the failures occurring in the planning and implementation of projects important to the functioning of the state and its citizens. It failed to properly execute major IT projects, which were to improve various functions of the state, and which were given funds from the European Union. Implementation of IT projects in the health system institutions were repeatedly delayed (e.g. e-Prescription, e-Health, computerization of medical records, etc.). Still not even the foundations of the system exist. In many cases, the attempts of implementation of IT systems ended in corruption scandals, or waste of public money. As a consequence, the development of e-Government is one of the lowest in the European Union.

Central and local administration did not obtain the proper skills to support processes of public consultation on draft legislation. As the government's strategy "Efficient Government 2020" says, the administration does not fully employ the tools of social and civil dialogue in public debates, and

ignores others, non-traditional, non-governmental partners (e.g. unions). Moreover, communication with the public is not always complete and consistent at the programming stage (Ministry of Administration and Digitalization, 2013, p. 14).

Officials often struggle to effectively employ key instruments being designed to produce a high quality legislation, which is drafted in ministerial departments and which later is to be submitted to the parliament. What is meant are tools such as a regulatory impact assessment as well as a regulatory test used to control a quality of legislative drafts. Civil servants reluctantly order and use evaluation reports which are supposed to collect objective data to make sure the goals have been achieved.

Officials have difficulty with understanding the strategic challenges as well as rules of policy programming. Although they contribute to strategic programmes, they are not able to use them as a basis for daily, operational activities. For instance, important reform ended in failure referring to efforts undertaken since 2006 to introduce a new system of public expenditure programming on the basis of the so-called performance budget (performance-based budgeting). In this framework, public funds' expenditure was to be based on an assessment of the results of previously taken actions. As a consequence of it the Polish administration remains inefficient and is not result-oriented (Hardt, de Jong, 2011).

Far-reaching fragmentation of administration represents an additional structural problem. In fact, there are many different systems of administration, which have different legal bases. Local government acts on the basis of separate regulation, and so do institutions such as the Social Insurance Institution (ZUS), the Supreme Chamber of Control, the Chancellery of the Sejm and the Senate. This fragmentation causes the lack of uniform standards of officials' work, for example management rules etc.

Witold Mikułowski concluded in 2011 that Poland, like most post-communist countries is "still looking for a suitable model for the civil service and the correct status of its members" (Mikułowski 2011, p. 27). S. Bienias and P. Żuber, analysts from the administration sector, show that kind of stigma is linked to the search for an appropriate administrative model - the lack of the vision for the modern state model, which is associated with the "underestimation of the issues related to the organization of the management system in the public sphere" (Bienias, Żuber, 2008, p. 86.).

The above mentioned critical remarks about the state administration, however, have to be relativized. They relate mainly to the ability to perform strategic functions linked to the programming and implementation of the state – relevant projects. On the other hand, it must be emphasized that the part of the administration that deals with direct support of the population in the area, e.g. issuing various types of documents, such as identity cards, passports etc., has significantly improved.

2.3 The problem of the politicization

Despite some efforts, the basic problem remained in place which is a far-reaching politicization of the civil service as an appropriation of public agencies by a specific political coalitions and sometimes even by interest groups (Nicole de Montricher, p. 296). In general, politicization – as Luc Rouban writes - represents a serious threat to professional status of civil servants and the strategic balance that has gradually been achieved between public administration and politics in mature democracies (Rouban, 2002).

The paradigm of politicization has a very complex characteristics and rich historical background. As a result, politicization in Poland is visible in many areas including in the recruitment process. This contribute to an employment of people with inadequate qualifications which are not tailored to real needs in administration. In fact, it does not open the possibility of building a strategic potential in the central administration. This makes the professionalization of the civil service impossible. The politicization has been based on patronage. Political leaders who take office, employ its political allies not only as political advisers in political cabinets. They employ them on civil service position breaking rules in recruitment procedures. The politicization is a widespread phenomenon in many countries including western democracies but in Poland it prevents a country from creating a professional civil service.

The excessive politicization seems to be the the result of the characteristics of political culture in Poland (Kaminski 2008, p. 62-63). Kaja Gadowska and Tatiana Majcherkiewicz claim a vulnerability of administration to political patronage (Gadowska K, Majcherkiewicz, 2005) as a result of spoils system which has been established in Poland.

A politicization can be recognized as a main reason why several attempts of professionalization of corporation of civil servants being undertaken failed to achieve its goals. In fact, every political cabinet produced usually a significant turnover in governmental (as well as in local government) administration. This had many devastating effects on the state and the quality of the administration, for example weakened an institutional memory within public agencies. During his first months in office, Waldemar Pawlak (1993) dismissed every fourth senior civil servant (Gadowska K, Majcherkiewicz, 2005). Later on the situation did not improve much. In the Ministry of Health - as Table 1 shows - in some years we saw exchanges of a large number of the directors and deputy directors. In 2002, 11 out of 18 directors of the departments were dismissed, as well as 10 deputy directors. In 2003, 8 directors were dismissed and appointed. In subsequent years, the scale of appeals and nominations was significant, especially in 2007 and 2008.

As a consequence, the directors now hold their positions for a short time. The term of office averaged less than 2.5 years on the director's position and the average period of employment at the Ministry of Health before the appointment to the Director's post - 1.7 years. A significant rotation is also visible in

the executive agencies of this ministry. In the National Health Fund in some years the president was appointed and dismissed twice during the year (2003, 2004). The chairman working since 2009 was the seventh person in this position since 2003. Medical, Financial and Uniform Vice Presidents' posts were also marked by a high turnover.

Table No. 1: Turnover on the post of director and vice-director in the Ministry of Health (2000 - 31.05.2009).

	Appointed		Dismissed	
	Directors	**Vice-Directors**	**Directors**	**Vice-Directors**
2000	-	3	7	3
2001	1	-	4	3
2002	10	7	11	10
2003	8	8	8	7
2004	5	12	6	10
2005	6	9	3	6
2006	7	7	4	4
2007	2	5	4	7
2008	10	4	7	7
2009 (until 31 May 2009)	-	2	2	1

Source: Ministry of Health [published in The challenges in the health system - human resources and organizational resources in central institutions (ed. A. Zybała) report commissioned by the World Health Organization, National School of Public Administration, 2009].

2.4 Etatist model of public governance

Full understanding of the characteristics of public administration in Poland and the issues that affect it requires a broader context to be explained. It is necessary to appeal to the notion of public governance. It shows the area of the entire constellation of relationships between the main actors that participate in the public games in order to influence decisions making process (Kooiman, 2009).

In Poland the etatist model of public governance has been formed in the long process. This means that politicians as a ruling class tend to subordinate the others stakeholders in the public sphere. They have formed a one-tier government system, and therefore have tended to use various methods to make

others dependent on them. This refers to public administration, but also to other entities such as local governments, academic institutions, business etc.

This is due to cultural factors. Poland has long been firmly rooted in the authoritarian model of social relations and relations between social groups. Stronger social groups do not seek consensus, but make full use of their advantage over other social groups.

The ruling allowed for the implementation of certain reforms within the administration, but always did it in a way which prevented the emancipation of groups working in the administration. It was evident even in the case of creating a formula for the introduction of the executive agencies or regulators in administrative structures. Such an operational model was established, which allows the ruling to exercise direct control over them.

Politicians did not allow the creation of the civil servants´ corporation, which would set up standards of operations on its own and which could serve as a partner for politicians in the process of creating administration's strategic potential. Western European model, in which the administration is accountable not only to political superiors, but also to the parliament and the society, was rejected. Politicians block the introduction of mechanisms of transparency, as well as the rules of evaluation of the actions undertaken by the administration (because they identify themselves with the results of their actions). In other words, political parties do not reform government in the Western European spirit, because they assume that after the electoral victory they will want to control the administration, and especially the staffing process.

2.5 The role of human capital

As mentioned before, administrative reforms conducted during the past 25 years were not translated into better functioning of public bodies. The greatest failures are noticeable in the following areas:

- matching of officials' qualifications with the specificity of tasks conducted by ministries and other public institutions,
- organizational culture.

Problems with managing the qualifications are difficult to be described based on research, because it was not conducted on a scale that would allow full assessment of the situation. Authorities do not design in a formalized way the qualification resources, which they consider essential to carry out their public duties. Relevance of existing qualifications and the qualifications that would be deemed necessary is not assessed.[86]

The state's strategic report "National Strategic Reference Framework 2007-2013" states that human resources management in administration is often limited to the process of "administering" the staff. A

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[86] The study showed the need for qualifications in the whole administration. It was based on officials' statements. They adjudicated which qualifications they needed.

number of studies, which were created in this environment, admitted that there are a lot of problems in matching the training system to the needs of the administration, and even more to ensure that they support the modernization of administration.[87]

Research included in the report "Analysis of the public service training needs 2008" indicates that the staff policy of different offices, including training policy, was neither clear to the employees themselves, nor to executives. This study also contains the statement that human resource management system remains in a vacuum, since there is no promotion policy, professional development system, or financial resources for their implementation. Such a statement was also included in a document created by a group of top officials who worked on the training system for the administration (Chancellery of Prime Minister, 2010). In addition, it indicates the analyses, which show that the central actions concerning training seem random and inconsistent (Chancellery of Prime Minister, 2010, p.14).

In 2008, important steps were taken to strengthen the human resources management mechanisms. The first evaluation principle was introduced for people taking up employment in the civil service. Interim evaluation of people employed for an indefinite period was also formulated, as well as an individual professional development program (established for each member of the civil service corps). This program provides a basis for directing each officer to the suitable training. These initiatives were aimed at developing the system of job evaluation, assessment of professional development and effective matching of the wage system. For now, however, the system has been criticized by officials themselves, since they feel even more dependent on their superiors' voluntarism.

2.6 The role of analytical skills

One of the biggest problems is that administrative staff suffers from a deficit of analytical skills. As a result, the public administration lacks the policy capacity, which would allow it to generate the expertise needed to act effectively (including planning and contracting). Michał Kulesza, one of the most prominent experts in public administration, once accurately said, that the problem of the Polish administration lies in the fact that it has not been absorbed by experts into its ranks. It remained in the era of traditional civil servants in the proverbial sleeve-covers. At the same time, we live in times of experts, so there has been an incredible growth of policy knowledge in almost every aspect of individual and collective life. More and more public decisions rely on policy knowledge. In other words, if state institutions are to be effective they must be able to generate increasing resources of policy knowledge.

At presence, the administration does not use internal mechanisms of experts' inclusion. These structures that are in use, were introduced mainly to facilitate a wage policy. On the other hand, it is not clear which of the positions in the existing structure are associated with expert functions and which

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[87] Carried out in the framework of the EU project "Analysis of training needs in the public service 2008".

relate to organizational matters. As a result, the system of administrative positions in the civil service is not transparent enough as well as consistent. The employment of a given person at a given workplace is largely discretionary.[88] Level of education (usually higher), and a number of years of employment are the assumed qualifications necessary to obtain the post.[89]

Experts, often academics, are mostly included in various bodies organised by ministers, heads of offices. These are advisory in nature, although it is often difficult to assess their contribution to the decisions taken by authorities (Ministry of Labour and Social Policy, 2011).

The next problem relates to the knowledge management in administration. The research study indicates, among other things, that in the ministries the system of circulation of information and knowledge fails. Less than half of the respondents admitted that their department created a system of knowledge management. Officials do not sufficiently employ solutions in order to guarantee the institutional memory of their offices. Teamwork, as well as cooperation with external experts who support learning of employees and enhance their potential, are rare. In contrast, officials learn from their own mistakes and practice self-education ... (Chancellery of the Prime Minister, Appendix 2 2011, p. 25-26). Offices tend to rely on their own accumulated knowledge, whereas knowledge from outside is only supplementary ". In addition, many offices lose previously accumulated knowledge as a result of significant staff turnover. The research conducted in the Ministry of Health indicated that this problem presented itself there in an acute form. For some actions taken by the department, it was difficult to recreate the decision-making process, because in 2-3 years almost entire organizational units have changed and many people participating in the process have left work (National School of Public Administration, 2009).

Studies involving four ministries also point to weak analytical capacity and low knowledge management skills. It turns out that they do not undertake "(...) regular analysis of their own actions; external interactions also practically do not exist in an institutionalized form, and ad hoc expert solutions are used instead". Researchers suggest that self-reflection takes place, but only on individual and small teams' levels. In addition, ministerial officials tend not to define operational goals in a clear way, which creates a situation, where officials take corrective actions only, and not the action in a form of a comprehensive reform. Researchers do not discern any efficient structures designed for the storage and distribution of policy knowledge in the offices, which causes - as has already been stated above – the frequent loss of knowledge and the necessity for its repeated production.

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[88] Assessment of the Civil Service Act of 24 August 2006. (Dz. U. No 170, item. 1218, as amended. d.) and the Act of 24 August 2006 on the state human resources and high state positions (Dz. U. No 170, item. 1217 as amended. d.). Information for the Administration and Home Affairs Committee of the Polish Sejm, Prime Minister's Office, Civil Service and State Staffing Department, Warsaw 2008.

[89] Regulation of the Prime Minister dated 16 January 2007 on the definition of official posts, required qualifications, degrees of official civil servants, multipliers to determine the remuneration and the detailed rules for determining and paying other benefits to members of the civil service corps.

Researchers point out that there is no tendency to carry out critical analysis of new solutions introduced by the officials. They hardly come under public scrutiny. "Ministries therefore operate in a state of permanent change, without realizing any direction and possible effects of further reforms. This makes the generating of meaningful and rational improvements impossible as well as limits all learning activity to be reactive in style of 'firefighting') (Euroreg, 2010, p. 51).

Ministerial departments show no inclination to use an external experts' support. This is due to several reasons. Officials´ lack awareness of the usefulness (and in some cases the need) to conduct research and analysis using external support. The researchers found also that the officials feel reluctant to share problems occurring in the office or in the area of their interests with external experts (so-called "Not bringing filth outside the office").

2.7 Organizational culture

Many experts emphasize that the Polish system of public administration remains quite archaic when it comes to the characteristics of administrative structures. The main objection is that it is still too hierarchical. The authors of the government's strategic report "Poland 2030" state that the Polish administration is still dominated by "highly hierarchical Weberian model of administration and rare delegation of responsibilities take place. The results are: poor efficacy, lengthy procedures and difficulties in introducing modern tools of human resource management, as well as bonus systems" (Prime Minister's Office, 2009, p. 308).

The above-mentioned observations have been based, among other things, on the analysis of organizational structures adopted in ministries (National School of Public Administration, 2009). Polish public institutions are usually organized vertically with very few horizontal structures (levels) which in turn dominate in western administrations. The deficit of horizontal structures contributes to the fact that officials from various "sectoral" departments rarely cooperate in implementing projects that require diverse and complementary competencies. Vertical integration in central administrative units matters a lot. It influences the way the information and knowledge circulate as well as how decisions are made. It involves many serious risks including institutional bottlenecks as a result of fragmentation and lack of cooperation.

This organizational model causes the following:

1. strengthening sectoral approach to problem analysis (silos). Thus, the administration finds it easier to establish relationships with industry stakeholders that participate in collective bargaining rather than with citizens,
2. weakening the strategic programming abilities (limits the potential to analyse the problems which cross inter-sectoral borders).

The issue of organizational culture in Polish administration's institutions has been poorly studied so far. However, broader research involving organizational culture in various institutions was conducted. J. Hryniewicz's studies show that Polish organizations have the characteristics that make it difficult for them to adapt to today's realities that increasingly grow more complex and pose increasing demands in various fields (e.g. in terms of having specialized knowledge). They have a strong tendency to introduce the informal rules. There is also a tendency to limit the objective problems' analyses, to limit the diversity of expressed opinions. Moreover, according to J. Hryniewicz, institutions are not able to maintain partnerships with other entities.

Some of the symptoms of public administration malfunction can derive from the lack of coherent administrative tradition and it seems to be the case of Poland. J. H. Meyer-Sahling and K. Yesilkagit claim: "The administrative traditions of CEECs [Central Eastern European Countries - AZ] look far less consistent compared to Western Europe. For CEECs, research on the institutionalization of core executives points to 'institutional weaknesses' and thus frequent changes of formal institutions as a characteristic feature of post-communist executive governance. At the same time, public administration debates emphasize that informal patterns of behaviour value and norms have persisted after the change of regime from communism to democracy. As a result, a general discrepancy between legislative intent and administrative practices remains a hallmark of post-communist administrations" (Meyer-Sahling, Yesilkagit, 2011, p. 318).

Generally, it was not until after 2000 when the important reflection and conclusions emerged among decision-makers. Later on many of them deeply realized the importance of links between the strategic reform failure and a low capacity of public administration. But it was quite late and there were not any real instruments available to modernize the machinery of public administration. The negative critical junctures have been rooted, among others a politicization of civil service as well as a lack of merit-based system when it comes to recruitment and promotion system. What is more, to some extent, the path dependency theory explains many processes visible within the public administration (Pierson 2000) which relates to a burden of communist times as well as much deeper historical periods when Poland had very serious difficulties with establishing effective public institutions. The fact is that "the boundaries between pre-communist and communist legacies are not clear" to distinguish (Ekiert, Hanson 2003).

3. Best practices and recommendations for implementation in other V4 countries

Many quite similar problems affect Poland as well as other countries of the Visegrad Group. They also face the same challenges. In my opinion a vital one pertains to the question of capacity to reform, or the ability of governments to form an administration with a strategic potential.

The ruling class in these countries struggle to understand what public administration reforms are in today's world. They often do not take into account the complexity of it. A concept of reform should not be limited to new packages of legislation. J. J. Hesse claims the task of modernizing public administration goes much beyond basic legal norms (1993, p.III-IV). A.J.G. Verheijen pointed: "The adoption of laws was considered the panacea for addressing problems such as politicization, fragmentation and instability [concerning public administration in post-communist states - AZ]. The adoption of civil service laws in a large number of states in the region, however, has not resolved the problems of instability and politicization and has rarely led to the development of a well-working system of long-term career development" (Verheijen, 2003, p. 491).

The point is that an approach to reforms limited to legislation may be easily ignored or considered to be too weak to cause any reaction or engagement from key stakeholders (civil servants, politicians, local authorities etc.). Reforms in public administration take place in a complex environment, there are many stakeholders, various interest groups involved and their preferences etc. Reformers should have known how to generate synergies among them.

Public administration should be regarded as an organic system with a high level of complexity and multiplicity of feedback mechanisms among its components. Reforming it requires therefore a special sensitivity to the dynamics of the relationship between its components. The reformers should deeply understand the true nature of public governance or mode of governance which take place through networks which consist of various interest groups which are entitled to achieve its goals.

In Poland, many politicians, but also scholars, tend not to recognize the complexity and specificity of public administration. They believe that, when a common problem of appointments is solved, or when a better wage system is introduced, the administration as a whole will cease to be the state's "sick organ". The problem is that the public administration includes a plurality of components or dimensions. It is a question of what are the critical junctures that need to be reformulated as a precondition of achieving the planned outcomes (it means more efficient administration).

There are listed below some of the key objectives that should be included in the reform projects:

- improving the skills to recruit candidates with qualifications appropriate for the posts,
- matching officials' skills with their tasks (management skills), the ability to use the performance management tools,
- ensuring a sustainable career (including its stabilization),
- better incentive systems (payroll systems and material incentives, but also others),
- improving organizational culture by building trust and openness, as well as the development of knowledge,
- increasing absorption of knowledge – in other words, the ability to accumulate expertise (policy knowledge) and use it in planned activities,

- political neutrality, including the subjectivity (relative autonomy) of the administrative corporation in relation to the political class,
- streamlining institutional coherence as well as system of competences on all the level in public administration,
- adequate funding of public services on a local level.

In my opinion, the success of reforms relies on the provision of greater partnership between a corporation of civil servants and a political class. The point is that the first ones need more autonomy to be able to be a real partner to the second group. Until now politicization, clientelism sustained by politicians has been the main obstacle to it. It strips civil servants off professional autonomy (subjectivity). In the Visegrad Group it can be regarded as a key objective for the future, hopefully not too distant one. It would be a vision or concept for the future to be achieved. At the moment civil servants are not motivated enough to play a role of active stakeholder in a reform process. What is more they are unable to carry out bottom-up efforts aimed at improving their professional standards.

In the West, especially in Great Britain, the administrative staff has relative autonomy as a corporation from the political class and is accounted for not only to politicians but also to the parliament and the wider public.

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"The Polish public administration employs approximately 643 000 staff, not including teachers, doctors, soldiers or officers. Of this number, about 122 000 (about 19 %) are members of the civil service corps.

Employment in general government as a percentage of the total labour force in Poland was 9.7 % (2008), well below the OECD average of 15.0 %; compensation of government employees accounted for 10.2 % of GDP (2009), 1 point below the OECD average of 11.2 %".

There are two categories of employees:

civil servants (*urzędnik służby cywilnej*),

civil service employees (*pracownik służby cywilnej*).

Civil servants comprise 5.9 % of the civil service corps. They are nominated through a career-based system. Most of them have passed an examination of the knowledge and skills. A minority have graduated from the National School of Public Administration, which is part of the civil service system.

Source: OECD (2013), Poland: Implementing Strategic-State Capability, OECD Public Governance Reviews, OECD Publishing, Paris, p. 279.

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Developments and Reforms in Public Administration in Slovak Republic (Critical assessment of selected implemented NPM tools)

Short introduction

Public administration in organizational terms of administrative structure can be understood as a set of public institutions. In terms of the definition of the competencies of public institutions, it can be understood as a set of processes that these public organizations carry out. If the public administration is to function effectively, then both **organizational and procedural aspects of public administration** must be in line. Public administration reform should mainly aim to achieve such compliance by changes in "the structure and procedural practices of public administration in order to streamline the activities of these organizations." (Pollitt - Bouckaert, 2000, p. 8).

The major moments of changes in the organizational level of public administration in Slovakia are captured in the first two subsections of this chapter (1.1 Description of public administration prior transition in 1989 and 1.2 Development of Public Administration after transition).

Significant moments of public administration reforms in Slovakia are **the decentralization of public administration, fiscal decentralization and reform of public financial management, e-government, civil service reform and reform of the ESO**. The reform changes, however, have not brought significant shift towards a more efficient functioning of public administration and higher quality of public services provided to citizens. This problem is documented by subsection 1.3 Critical assessment of implemented reforms, which summarizes the problems of implemented reforms and practically analyzes these issues at the local government level (case 1 Provision of local public services and case 2 Co-creation - participation of citizens). In accordance with the European Charter of Local Self-Government there are created legal preconditions for the efficient functioning of local government in Slovakia, but several problems (e.g. fragmentation of the territory, the lack of transparency of public spending, low level of public management) hinder the implementation of New Public Management instruments into the provision of public services and the increase in the efficiency and quality of their provision.

The concept of New Public Management (Poll and Bouckaert, 2000; Lane, 2000; Cooper, 2003) as a part of the reform of public administration can be considered for/as the most important moment in relation to the provision of public services. New Public Management brings the demonopolization of public services and the introduction of alternative approaches to the provision of public services where contracting out public services dominated (Prager, 1994 Savas, 1987). Application part of the chapter is therefore devoted to the critical evaluation of the impact of the introduction of contracting out public services as a tool of New Public Management (NPM) in terms of procedural aspects of public administration reform.

The last part of the chapter is devoted to innovations in the public administration, provision of public services in Slovakia, which can be presented as best practices and recommendations for implementation in other V4 countries (1.4 Best practices and recommendations for implementation in other V4 countries). According to Voorberg, Tummers, Bekkers et al. (2013) the innovation in the production process of public services is considered as 1) an open process, with the involvement of end-users in the design and development of goods and services and 2) a change of the relationships between involved stakeholders. As we focus on co-creation in public service innovation processes, we therefore should focus on **co-creation** practices where citizens are involved as co-designer and/or initiator.

1. Description of public administration prior transition in 1989

Ing. Jana Masárová, PhD. (jana.masarova@tnuni.sk)

Ing. Eva Koišová, PhD. (eva.koisova@tnuni.sk)

Katedra ekonómie a ekonomiky

Fakulta sociálno-ekonomických vzťahov

Trenčianska univerzita A. Dubčeka v Trenčíne

Archaeological findings indicate that settlements of higher importance had existed in the first centuries AD in the territory of today's Slovakia, and some had been preserved until the arrival of the Slavs. From the 6th to 9th centuries, the vast area of Slovakia, Pannonia (area stretching to the Hungarian Great and Little Plain), Bohemia and Moravia was inhabited by Slavic tribes. (Kútik, Karbach, 2011, p. 16). The first supra-tribal union of Western Slavs was the Samo's Empire (623-658) which was established after a successful rebellion of Slavic tribes against Avars. The revolt was led by a Frankish merchant called Samo who was later elected the king of the empire. Samo's empire, however, cannot be regarded a state. It was a loose and voluntary tribal union of highly independent tribal territories and it was also a defensive union of tribes at times when the Slavs felt most threatened by the Avars and later by the Franks. Janas states (2007, p. 8) that Samo managed to protect his empire from the Avars and the Franks, and secured his greatest success in 631 in a three-day battle of Wogastisburg when he defeated a Frankish army. Samo's Empire collapsed after the death of Samo – an authoritarian leader and ruler in 658. Then the Slavs fell once again under the rule of Avar elite, but this time not as vassals. After the fall of the Avar Empire, old Nitra region was created in the territory of present-day Slovakia (above the Danube River). Social and economic changes went hand in hand with building fortresses – centres of administration, production and military power. The Principality of Nitra was ruled by the dynasty of Slavic origin that helped to establish a new state organization. The Principality of Nitra was not ruled by a king, but one of the elders. The elder or vladyka (according to Western custom, a prince) was the leader of domestic tribes who made all the decisions. Prince Pribina

was the first and most significant in Nitra. The territory of the Principality of Nitra was divided into smaller administrative units called "grady" that were later referred to as counties (župy). Counties were led by county heads (župani) who were of noble birth.

This period is also known for the foundation of Principality of Moravia. The principality was ruled by Mojmir I. who defeated Pribina in one of their military clashes and unified Moravia and Nitra principalities in 833, thus founding a new territorial unit known as Great Moravia.

1.1 Historical development of territorial and administrative arrangement in the territory of the Slovak Republic until the foundation of the Kingdom of Hungary

The oldest territorial organization was formed during the Great Moravian Empire (833-907). This system gradually became one of the most important clearly organized state formation in Central Europe. From the perspective of local government, the empire was built on the system of castles and the so-called castle counties. Many of the fortified settlements were centres of the second-level territorial administration of the Great Moravian state. Its territories were located in the present-day Slovakia, Czech Republic, Pannonia, parts of Poland, Germany (Srbská Lužica/Lusatia) and Austria. Fortified settlements were led by vladykas or county heads. (Hromada, 2008). The most important forts, and thus the administrative centres in the present-day territory of Slovakia were located in Nitra, Devín, Bratislava, Ducové, Pobedim, Bíňa and Zemplín. (Mesíková, 2008, p. 72) Great Moravian state form of government was a centralized monarchy. The state power was vested in the hands of the king – the supreme body of state power. (Šutaj, 2003, s.7) The entire Great Moravia was referred to as the Kingdom – Regnum. (Šutaj, 2003, p.7) The king – Prince of Great Moravia possessed unlimited military, political and economic power, i.e. he acted as the highest administrative, judicial and legislative body as well as the chief commander of the army. In order to manage the country, special court offices were set up and the highest official and administrator of the entire court was a court county head – comes, palatii, palatinus. Chancellor was responsible for written agenda and correspondence with the Pope and the rulers of surrounding countries. The territory of central regions of the state was further divided into counties (civitas) consisting of a county's fort and a few smaller settlements. Counties were led by county heads possessing administrative, judicial and military powers. The local government was organized at the level of present-day village and was referred to as a "villa" headed by a "villicus" who was elected by village residents.

Svätopluk was one of the most important rulers of Great Moravia (according to some sources, he had the title rex, meaning king). The date of his birth is unknown, he died in 894. During the reign of Svätopluk, Great Moravian Empire reached the largest territorial expansion.

Thanks to the strong personality of Svätopluk, Great Moravian Empire flourished economically. After his death in 894, the Empire gradually crumbled to pieces. The Empire disappeared in 970 as a result of internal conflicts (between Svätopluk's sons: Mojmír II and Svätopluk II) and constant attacks by

Arpadʼs army that later gained control of Nitra and its surroundings. In the beginning of the 11th century, the territory of the Principality of Nitra became a border duchy of the Hungarian Kingdom.

1.2 Territorial and administrative arrangement until 1918

After the fall of Great Moravia and the foundation of the Kingdom of Hungary in 1000, the territory of Slovakia became part of Poland until 1029, when it was re-incorporated in the Kingdom of Hungary. From the 11th century, the Slovak territory gradually became part of the multinational Hungarian medieval state. In the beginning, the Hungarian state was a centralized monarchy and all powers were held by the king. The king had the final say in all the civil and judicial matters. In controlling the kingdom, he was assisted by the Royal Council. The Royal Council was composed of the representatives of the church and the high nobility, and their powers were extended over time.

Kútik and Karbach (2011, p. 17) state that the first known state administration reform in Hungary was carried out in the early 11th century by Stephen I, a member of the Arpad dynasty. The reform introduced a system of comitati. Comitati were larger administrative areas within the system of castles which were further divided into castle districts. The centres of comitati were royal castles – castra, civitates. (Štutaj, 2003, p. 7) Gradually, comitati of Bratislava, Komárno, Esztergom, Nitra, Tekov, Hont, Novohrad, Zvolen, Gemer, Spiš, Turany, Abov, Šariš, Zemplín and Už were formed. Comitati were led by county heads – royal officials.

After the issue of the Golden Bull by Andrew II in 1222, the Royal Council fulfilled even the legislative function and was involved in executing executive power of the king. Special institutions called credible places (loca credibilia) created in 1231 were of considerable significance in the administrative development in this period of time. Any chapter or convent owning an authentic seal could become a credible place. There were three loca credibilia in Slovakia – Chapter of Bratislava, Chapter of Nitra and Chapter of Spiš as well as five convents – Turčiansky Convent, Zoborský Convent, Svätobeňadický Convent, Jasovský Convent and Leleský Convent. (Mesíková, 2008, p. 75)

In the second half of the 13th century, efforts were made to make the Royal Council subordinate to the Diet. In 1298, a law was passed according to which members of the Royal Council included two representatives of the Hungarian archdioceses and two by the Diet-appointed noblemen, which significantly limited the decision-making powers of the king. Due to the donation policy, huge amounts of land and property of rulers passed into the hands of secular and church dignitaries. Simultaneously, revenues of comitati began to shrink and county heads were not able to maintain their own army. For the donation policy of rulers, only expenses of royal counties were covered which aroused concerns among those dependent on the system of comitati, especially among servientes regis. (Práznovszky, 2010) These events triggered efforts to abolish the system of royal counties.

In the 30ʼs of the 13th century, royal counties gradually turned into noble counties. The territorial scope of noble counties was identical with the original territory of royal counties. The process of

transforming royal counties into noble counties was not simultaneous and equal. In addition, consolidating the territory and boundaries was lengthy and highly complicated. For example, the territory of the Zvolen comitatus fell apart, its core, however, still making up the core of the Zvolen county, and Liptovská, Turčianska and Orava counties incorporated in its northern part. (Kútik, Karbach, 2011, p. 17) The main body of the county local government was the General Congregation, which made decisions on all important issues (approving statutes, announcing provincial laws and regulations of the king or central Hungarian or court offices, electing deputies to the Diet, controlling activities of and managing county officials, negotiating important economic, administrative, political and military issues). A county was led by a county head (comes), from the 15th century onwards by the main county head who was appointed by the king. Deputy county heads, and not the county head himself, were the real administrators of the county.

Volko and Kiš state (2007, p. 21) that the rigid feudal system, means of transport and the road network as well as conservative Hungarian nobility and gentry made the system of counties last until the end of the 18th century, however, the most profound changes occurred in districts led by "iudices nobelium". Since the 14th century there had been 21 counties in Slovakia.

In the 16th century, the Kingdom of Hungary was attacked by the Turkish army and the Hungarian Army suffered a crushing defeat at the Battle of Mohacs in 1526. The battle of Mohacs was a decisive event in the history of Slovakia for centuries. After the battle of Mohacs, Slovakia was incorporated into the Habsburg Monarchy, but this process was neither easy nor smooth. The country's internal weakness, Turkish pressure and large-scale domestic unrest caused the Kingdom of Hungary split into three parts: the Habsburg Royal Hungary, Principality of Transylvania and Budatínsky pašalík. (Janas, 2007, p. 19) The division of the Kingdom of Hungary was a new chapter in the history of Slovakia. Slovakia became the centre of the Hungarian part of the Habsburg Monarchy and Bratislava became the capital city of Hungary for decades. The city of Trnava became the religious centre.

After the expulsion of the Ottomans in the 17th and 18th centuries and internal unrest caused by attempts to preserve freedoms for the Estates, the Habsburgs managed to consolidate their power and exercised centralization policy, thus significantly strengthening their dominant position. The policy of centralization continued under Maria Theresa and Joseph II. It was Joseph II who attempted to do away with the self-government of nobility and make it subordinate to the state administration. The country was divided into ten districts (dištrikty) led by royal commissioners. Three districts were formed in Slovakia, such as the district of Nitra, Banská Bystrica and Košice. The district of Nitra was composed of Bratislava, Nitra, Trenčín and Tekov counties. The district of Banská Bystrica was made up of Turiec, Zvolen, Hont, Liptov and Gemer counties. The district of Košice was composed of Spiš, Šariš, Abov-Turňa and Zemplín counties. Joseph II, however, abrogated the reform before his death, in 1790.

The year 1847 was another important event in reforming the administration of Hungary when negotiations were held on reforming and modernizing the country. These efforts resulted in the adoption of the Hungarian Constitution (also the March laws) in March 1848 by which serfdom was abolished and the law on the independence of Hungary was adopted. In addition to setting limits on the powers of the king, the March Laws brought about changes in the local government. Stolice (administrative units similar to counties) lost their estate status. Within the self-government of these administrative units, a new body, the so called Standing Committee with executive powers was established. Changes also affected towns and villages. Janas claims (2007, p. 25) that the royal free cities were divided into three categories, such as large cities (above 30,000 citizens), medium-sized towns (from 12,000 to 30,000 citizens), and small towns (up to 12,000 citizens). A city was headed by the city council and the mayor, who was elected by city residents. Villages (former feudal towns and villages) that abolished serfdom had also their internal self-government system, which was composed of the Municipal Representation and Municipal Council headed by a mayor (richtár).

The revolution of 1848-1849 was a turning point for the Slovak nation in terms of the administrative structure of the country. In autumn 1848, the Slovak National Council was created in Vienna. Three days later, the Council declared independence of the Slovak nation from Hungary. Mesíková (2008, p. 80) claims that the revolution of 1848 meant a significant breakthrough for the formation of the territorial and administrative organization of Slovakia. The stolica administration was built on Representation of People which replaced the General Congregation, and was adopted by the Assembly of Estates in Bratislava as a new law on the administrative structure of the stolica system.

The period from 1850 to 1860 was the period of renewed absolutism. The Imperial Decree of November 1, 1849 abolished the Hungarian Constitution of 1848. Formally, Hungary was the Lands of the Hungarian crown consisting of five military districts (in the territory of present-day Slovakia: Bratislava and Košice, in the remaining Hungarian territory: Sopron, Pest-Budín and Veľký Varadín) that were not territorially identical with districts (dištrikty) established under Joseph II. Military districts were divided into civilian districts (normally four of them). The system of administrative units called stolice was abolished and replaced by the county system. Counties lost their autonomy and were controlled by commissioners. Under the Geringer Provisional Arrangement (September 13, 1850 – January 18, 1853), military districts turned into civilian districts that were subdivided into counties. Counties were divided into processuses. Districts were headed by main district county heads, counties were led by chairmen and processuses were controlled by noble judges. (Volko, Kiš, 2007, p. 22) In the following period of time, administrative territories of a governorship were established where territories were identical with the formerly established districts. Hungarian administrative territory was divided into five branches, each located in one of the districts. Within each district, one branch of administrative territory administered the respective number of administrative units (stolice). In the district of Bratislava, there were 11 administrative units and 6 administrative units (stolice) in the

district of Košice. The Bach's regime ended in 1859. Mesíková (2008, p. 81) states that the regional and administrative organization of the country under the Bach's regime was justifiable and even more innovative when compared to the reforms made under the rule of Joseph II, yet not important in the long-term perspective.

In 1860, the emperor Francis Joseph issued the October Diploma proclaiming a new constitutional and federal structure in Hungary, which was based on historical constitutional rights of individual countries. (Šutaj, 2003, p. 25) Districts were abolished, and the stolica was renewed. The October Diploma completely ignored the Slovak national interests, which made Slovaks to act. Early June 1861, the Memorandum of the Slovak nation was adopted in the town of Martin, which called for an independent Slovakia.

After the Austro-Hungarian Compromise of 1867, the districts were abolished and the previous administrative structure was restored (including artificially delineated territory of some units), and the name of stolica was changed to župa (county). Volko, Kiš state (2007) that the county borders were changed again to those of 1848.

During the dualism era, the Hungarian Parliament adopted the Nationality Act that declared that every citizen of the country, whatever their personal nationality, is a member equal in rights. In that period of time, the system of public administration in Hungary was composed of two levels, i.e. counties that were subdivided into processuses. District processus offices performed the function of executive bodies. The lowest components in the county system were notariato general and district and municipal authorities. Processuses gave rise to the establishment of districts in Czechoslovakia.

64 counties were established in 1867 in Hungary (71 including Croatia – Slavonia). This number (71) had not changed until 1918, except that the county of Turňa ceased to exist in 1882. The number of processuses was steadily increasing until 1910. Around 1891 there were approximately 409 such processuses. There were also changes concerning towns. In 1870 municipal towns were set up and made equal to counties. Towns with municipal rights were initially all the free royal towns. Their number decreased in 1877 (Bratislava, Košice, Banská Štiavnica and Komárno). Other major towns were granted the status of a municipal town including a municipal office.

1.3 Territorial arrangement of Slovakia from the foundation of the Czechoslovak Republic to 1945

The public administration system was significantly affected by the collapse of the Austro-Hungarian Empire and the establishment of the Czechoslovak Republic in 1918. Since the public administration system in Slovakia and the Czech Republic was distinctly organized, a uniform system had to be put in place. This, however, was not an easy task for many reasons, mainly for the theory of Czechoslovakism which related to the efforts to create one nation from two. These facts played an important role in the organization of public administration in Czechoslovakia. Since 1918, Slovakia

was administered by the Ministry Plenipotentiary for Slovakia. The Hungarian county administration remained effective, i.e. there were 16 historic counties and municipal towns (Banská Štiavnica, Bratislava, Komárno, Košice) that worked independently from the county administration. As stated by Mesíková (2008), after the establishment of the Czechoslovak Republic, the county system worked only on a temporary basis under the changed political system. The county autonomy was limited and the power was concentrated in the hands of county head – a government appointed official. Following the demarcated borders with Hungary, there were also county boundary changes and counties were subdivided into 95 processuses.

In 1920, a law envisaging county and district bodies of public administration system was adopted. Even though its nationwide implementation failed, the act was amended and came into force as of January 1, 1923 in Slovakia. Pursuant to the law, Slovakia was divided into 79 districts and six counties: Bratislava county (seat in Bratislava), Nitra county (Nitra), Považská county (Martin), Pohronská county (Zvolen), Podtatranská county (Liptovský Mikuláš) and Košice county (Košice). Counties were headed by county heads who controlled county offices. County representations were established at county offices. (Kútik, Janas, Hrtánek, 2006, p. 61) Abolishing 16 counties and municipal towns gave rise to new large countieswhich according to experts ignored the regional structure of Slovakia and were more or less artificially created units. Districts (okresy) were headed by Chief District Officers. In addition, there were district committees that performed activities similar to those of a county representation and their members were elected by citizens. In villages and towns, a notary performed state-administration related duties, whereas self-government related duties were carried out by a municipal office, representation, council and mayor (starosta).

This situation did not change until 1928, when the Act No. 125 of 1927 came into effect. The Act introduced a provincial system, Czechoslovakia split into four provinces-krajiny (Czech, Moravian-Silesian, Slovak and Carpathian Ruthenia), thus Slovakia became one territorial and administrative unit. The Ministry Plenipotentiary for Slovakia ceased to exist, and a provincial office based in Bratislava was established, headed by an appointed provincial president. Brindzová (2015) states, that provincial representation with elected and appointed members was a kind of self-government. Members of provincial committees were elected. Slovakia was divided into 77 districts, 3,476 municipalities and two autonomous cities (Bratislava and Košice). Districts were headed by district chiefs. District representations were composed of both elected and appointed members, and some of them fulfilled their role in district committees. Municipal bodies – the lowest administrative units were represented by a municipal representation, municipal council and mayor.

The following years were known for the efforts of the Slovak representatives to make Slovakia autonomous, culminating in the 1938 Munich Agreement and the adoption of the Constitutional Act on the Slovak Autonomy. As stated by Kútik and Karbach (2011) the Vienna Arbitration of 2

November 1938 by which Hungary received a large part of southern Czechoslovakia was a disruptive event for the territorial organization of Slovakia.

The Slovak struggle for autonomy and independence was concluded with the declaration of Slovakia's independence on March 14, 1939. The Constitution enshrined the formation of the highest constitutional authorities – the Assembly, the Council of State, the President and the government. Furthermore, it was necessary to tackle the issue of a new territorial and administrative arrangement as the existing provincial system was no longer efficient. A two-level local government of 1940 based on the system of counties and districts was restored. Thus, Slovakia was divided into 6 counties – the county of Bratislava, Nitra and Trenčín (named after their location), Pohronská county (seat in Banská Bystrica), Tatra county (seat in Ružomberok) and Šariš-Zemplín county (seat in Prešov). Counties were headed by county heads and subdivided into 59 districts headed by district chiefs. District offices continued to perform their duties. As claimed by Mesíková (2008), solving administrative matters was in the scope of the municipal administration led by a government commissioner who was assisted by the Advisory Board, whose members were appointed by a county head. The category of statutory towns was abolished at the municipal level.

Other changes in the public administration system occurred during the Slovak National Uprising in 1944. On the rebel territory, local, municipal and district national committees that performed the role of the state power and administration body were established. The Slovak National Council was the superior body for national committees. Territories that were only marginally or not at all stricken by the fights did not experience any changes in the public administration system.

1.4 Public administration in Slovakia after the WW II

A unified Czechoslovakia was restored after the World War II. Initially, Slovakia was administered by the Slovak National Council, whose executive body was the Board of Commissioners. Efforts for a centralized state form materialized in the third Prague Agreement of 1946 by which the government in Prague gained control over the directive activities of the Slovak National Council. Public administration was a district-based system working the same way as before the Munich Agreement and the Vienna arbitration. However, the county and district offices were abolished, and local national committees and district national committees became public administration bodies. This regional and administrative arrangement of public administration did not change until 1948.

In 1948, a new model of territorial arrangement of public administration was adopted and Czechoslovakia was divided into 19 regions from 1949, out of which 6 were located in Slovakia: region of Bratislava, region of Nitra, region of Žilina, region of Banská Bystrica, region of Košice and region of Prešov. Regions in Slovakia were subdivided into 92 districts (out of them, three were municipal districts). Regional national committees were established and were complementary to the system of district and local national committees. Collective bodies, such as the plenary, council and

commissions worked within each national committee, Even though national committees possessed some self-government features, they were mainly bodies of state power and state administration. Over 1949 and the following years, there were 102 districts in Slovakia (out of them 12 municipal districts). The number of regions increased to 9, including the regions of Bratislava, the High Tatras and Piešťany.

When the 1960 Constitution of Czechoslovakia was promulgated, the name of the country was changed to Czechoslovak Socialist Republic. As stated by Kútik, Janas and Hrtánek (2006), the Constitution sheared the Slovak National Council off what little power they had enjoyed before and the Board of Commissioners ceased to exist. In 1960, a new model of administrative arrangement of Slovakia was adopted. Due to the strictly centralist system, the number of regions was reduced to 10, whereas Slovakia was divided into three regions: the region of Western Slovakia (seat in Bratislava), the region of Central Slovakia (Banská Bystrica), the region of Eastern Slovakia (Košice). The number of districts decreased dramatically; there were 33 of them in Slovakia. Regional, district and local/municipal national committees possessing limited self-government features continued to perform state-administration duties.

In 1968, the Czechoslovak Socialist Republic was federalized consisting of the Czech Socialist Republic and Slovak Socialist Republic. Bratislava became the capital city of the Slovak Socialist Republic and was granted the status of a region (capital city of Bratislava), thus the number of regions increasing to four. Number of districts gradually increased to 38. Bratislava was later divided into 12 sub-districts that were made equal to districts, and thus the number of districts rose to 49.

In the process of normalization, regions and regional national committees were abolished in 1969 and restored again in 1971. The three-level organization of national committees did not change until the revolutionary changes in 1989.

2. Development of the public administration system after transition

Ing. Jana Masárová, PhD. (jana.masarova@tnuni.sk)
Ing. Eva Koišová, PhD. (eva.koisova@tnuni.sk)
Katedra ekonómie a ekonomiky
Fakulta sociálno-ekonomických vzťahov
Trenčianska univerzita A. Dubčeka v Trenčíne

The events of November 1989 ushered in a period of major changes in the political, social and economic areas. The changes also included the new territorial and administrative organization of Slovakia as part of the Czechoslovakia. As stated by Nižňanský and Hamalová (2013), a new system of public administration reflecting the ongoing economic and political changes in society started to be built in 1990. The origins of creating a modern and democratic model of public administration in

Slovakia are linked to laying the foundations of a dual system under which the local self-government was restored and strengthened, and a new subsystem of territorial state administration was established.

The former centralized system was replaced by the principle of *subsidiarity*, i.e. the management and administration of public affairs at the closest possible level to citizens. Machyniak (2013) states that the idea of transferring competences to lower levels is a global trend; being apparent in the so called principle of subsidiarity, but its actual implementation cannot be ensured absolutely since it often is in contradiction with the intentions of political elite in power.

2.1. Development of the public administration system and territorial division of Slovakia after 1990

In 1990, foundations of a new democratic model of public administration were laid in Slovakia. These changes were intended to overcome and eliminate the shortcomings of centralized control of state administration. (Kosorín, 2003) The former three-level system of national committees in which state power and administration as well as part of local self-government were concentrated, was abolished in 1990. The public administration reform separated the state administration from the local self-government. Under the Act No. 369/1990 Coll. on Municipal Administration, **local self-government** was made up of municipalities – territorial and administrative units. Pursuant to the Act on Municipal Administration and the Act No. 518/1990 Coll. on Transition of the founding function from national committees towards municipalities, central bodies of state administration and local state administration bodies, the rights and obligations of the former local national committees in designated areas were transferred to municipalities, and the basic functions of municipal self-governments were defined. The Act on Municipal Administration made municipalities equal (excluding Bratislava and Košice). It follows that regardless of their size, municipalities have to fulfill the same tasks, which causes problems especially to small villages in terms of personnel, organization and finance. The first municipal elections were held in 1990. Municipalities became independent self-governing units which were not subjected to state bodies, but their activities could only be performed within their own budget, whereas a substantial part of their revenue was made up of the proportionate amount of collected taxes allocated to them by the central level. During this period, however, no significant change towards the decentralization of state administration to local self-government has taken place.

Changes in **state administration** were governed by the Act No. 472/1990 Coll. on the Organization of Local State Administration. Under the Act No. 472/1990, regional and district national committees were abolished and state administration competences were transferred to newly established district (krajské) and sub-district (obvodné) offices. District offices were established in seats of former district national committees, and thus 38 district offices were set up. Districts were subdivided into 121 sub-district offices that performed state-administration duties. In addition to these general state

administration offices, specialized state administration offices were set up at district and sub-district levels.

According to Mesíková (2008), the system of local self-government bodies was highly complicated in this period of time, and the efficiency of the system performance was questioned. This was when the idea of constituting a more efficient model of local state administration was born. It was intended to integrate horizontally some local bodies of state administration (e.g. school administrations, environmental offices, Fire Protection Corp, etc.) into a single unit/office that would perform the substantial number of state administration duties within its territory.

Slavík, Klobučník and Šuvada (2013) refer to this phase of changes in the territorial and administrative organization of Slovakia as a transitional stage in which two levels of artificially created spatial units (completely different from the traditional and natural system of small districts) were combined. The authors claim that the establishment of sub-district offices was too complicated and costly. In addition, the specialized state administration was created over the years 1991-1993 through gradual disintegration of several state administration offices which performed their duties without any coordination. By separating the specialized state administration from the general state administration, the local state government was performing its duties and responsibilities in a very complicated and obscure manner for an ordinary citizen. This process resulted in a changed spatial and vertical structure of bodies.

In the following years, efforts to decentralize the public administration were no longer made since the relations between the Czech and Slovak Federative Republic became of primary concern. Different political views on the future functioning of the Czechoslovakia led to its demise and the emergence of two independent states.

2.2. Changes in the territorial and administrative arrangement of Slovakia after 1996

Slovakia became an independent state on January 1, 1993. The public administration system did not changed until the Act No. 221/1996 Coll. on Territorial and Administrative Organization of the Slovak Republic was adopted. The act introduced a new local state administration system, under which regions and districts became new administrative units. Three proposals for a new territorial and administrative arrangement were developed. The first proposed to restore the system of former counties, the second one proposed to establish the system of eight areas (regions), and the third one proposed to restore the system of large regions. While several experts argue that the county option was the most suitable, the second option was chosen and Slovakia was divided into 8 regions (Bratislava, Trnava, Trenčín, Nitra, Žilina, Banská Bystrica, Prešov, and Košice) and 79 districts (Figure 1). Compared to the previous system, the number of districts increased considerably and the cities of Bratislava and Košice were divided into 5 and 4 districts respectively. The state power was exercised by regional and district offices which were set up in the regional and district cities. In this process,

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bodies of specialized state administration were (only partially) integrated. In this period of time, state administration enjoyed a stronger position than the self-government that was exercised at the municipal level. The second level in the system of self-governing bodies was still missing.

Figure 1: Administrative arrangement of Slovak Republic after 1996

Source: http://www.minv.sk/?uzemne-a-spravne-usporiadanie-slovenskej-republiky.
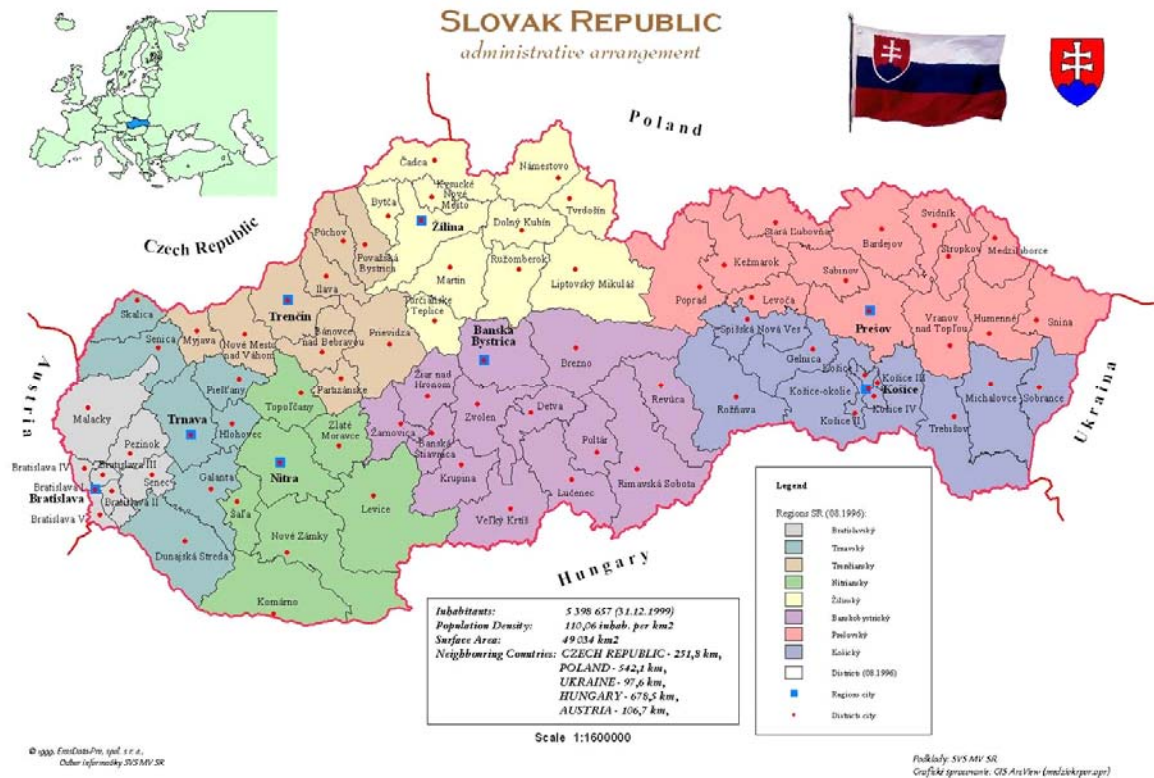
The principal stage of the public administration reform commenced after the elections in 1998. First, a government plenipotentiary for the public administration reform was appointed. He set up work teams that were in charge of preparing the public administration reform. Very inspiring were found the discussion fora on the reform of public administration organized for experts as well as in individual Slovak regions. The outcome was the *Strategy of the public administration reform of the SR* adopted by the Slovak Government in 1999 and subsequently the *Concept of Decentralization and Modernization of the Public Administration in the SR* was adopted by the Slovak Government in 2000. (Manuál..., 2012)

In 1999, Slovakia signed the European Charter of Local Self-Government. The Charter is an international treaty laying down principles of local self-government, thus acknowledging the importance of local government as one of the main foundations of any democratic regime. (Ministry of Interior)

The government continued in decentralizing and deconcentrating the state administration and committed themselves to reconsider the scope, efficiency and structure of district and regional offices, and to put forward a new system of organization of local state administration. The processes were aimed to strengthen the role and responsibilities of local self-government in providing services to citizens by decentralizing public finance, strengthening tax revenues of municipalities, and determining tax revenues of higher territorial units. The reform pursued the following objectives: to regulate the relationship between the state - region – municipality - citizen so that problems were solved at the level where they could be addressed most effectively. In addition, the reform was designed to alter the administrative division of the SR, to introduce a three-tier model of public administration; to strengthen the autonomy of local government authorities through the transfer of state competences; to introduce a new system of financing, as well as to strengthen the financial independence of local self-governments; and to increase the accountability of self-governments for efficient operation of public administration and regional policy. Having implemented the public administration reform, the Slovak Republic became a decentralized state with a horizontal division of power and vertical division of competences.

In this period of time, independent offices were established within the state administration, system, e.g. school inspection, veterinary administration, fire protection, public procurement, cadastre administration, etc. Bušík (2005) states, that this was a response to strong tendencies of the respective central bodies to atomize state administration as well as the wish for acquiring higher prestige. Some of the state administration duties could be performed by other legal entities, for instance state budgetary organizations (directly controlled by ministries) that were assigned with technical and purposeful tasks. Kosorín (2003) argues that rapid development was observed in the establishment of public corporations as part of the specialized authorities and advisory boards of various types and levels.

The second level of territorial self-administration envisioned by the Slovak Constitution of 1992 was enacted by law – the Act No. 302 of 2001. As of 2002, eight higher territorial units – self-governing regions were established and started to work within the region borders as set in 1996.

According to Vrbinčík (2012), the establishment of 8 regions disrupted the natural regional differentiation of Slovakia. Instead of establishing economically homogenous units, heterogeneous ones were created, which had negative effects on the internal integrity of natural Slovak regions.

In 2001, the Act on Municipalities was substantially amended, whereby the autonomous status of municipalities was significantly strengthened. In addition, acts on public officials were adopted (Act on Public Service, Act on Civil Service). The Act No. 312/2001 Coll. on Civil Service and on the amendments to certain Acts stipulated for the first time the legal relations in the Slovak civil service performance. The Act regulates the rights and obligations of the state and civil servants resulting from

the performance of the civil service or in connection with the implementation of the civil service. Staroňová, Staňová and Sičáková-Beblavá (2014) write that the Act on Civil Service provided the legal framework for the civil service and was aimed to establish professional, impartial, politically neutral, efficient and flexible civil service. The Act made a clear distinction between political (minister, state secretary) and apolitical posts (head of office, directors general of the sections, directors of departments and other civil servants at ministries). The Civil Service Office was set up and was responsible for the implementation of the Act (abolished in June 2006).

The Act No. 313/2001 Coll. on Public Service regulated the performance of work in public interest and of work related to the territorial self-government. In addition, specialized laws which established the civil service of soldiers, policemen, customs officers and firefighters were adopted. In the following years, several legislative changes were made, which meant a gradual demise of the basic principles regulating the law on civil service. (Staroňová, Staňová, Sičáková-Beblavá, 2014)

The Act on Public Service was replaced by the Act on execution of work of public interest in 2003, and was amended several times in the following years (similarly as the Act on Civil Service). Significant changes occurred in this area mainly in 2006 and 2009.

Over the years 2002-2004, within the first stage of fiscal decentralization, selected competences of the state administration were gradually transferred to municipalities and higher territorial units in order to ensure their effective performance. They were mainly competences related to education, healthcare, social services, regional development, road communications, tourism, etc.

Simultaneously, the system of financing municipalities and higher territorial units was changed. The purpose of fiscal decentralization is to make local self-governments themselves decide with utmost responsibility on issues of local nature, whereas making the best use of resources for the benefit of their citizens. Fiscal decentralization was to strengthen the financial position and independence of self-governments and higher territorial units. Kosorín, however, says (2003) that the process of decentralization did not bring any significant improvements since the local self-government shared majority of its competences with state administration. Financing of municipalities and higher territorial units depended on central government and they had no direct say in the process of adopting laws.

2.3 Public administration reforms in the Slovak Republic since 2004

A number of systemic changes were made in the state administration of the Slovak Republic during the years 2003 and 2004. By the government resolution No. 371/2003 of May 14, 2003 the Concept of Organization of Local State Administration was approved. In line with the process of decentralization, district offices of integrated local state administration were abolished. More than 400 state administration competences were transferred to municipalities and higher territorial units to improve effectiveness and quality of state administration management.

From 1 January 2004, separate bodies of general state administration and specialized state administration were set up at the level of regions (8) and district offices were replaced by sub-district offices of state administration (44-50). Thus, regional bodies acted as service offices in relation to persons performing state and public service not only in the scope of district offices but also sub-district offices within its territorial scope. Sub-district offices were established as local state administration bodies, but had no legal personality. Sub-district offices carried out duties related to general internal administration, sole trading, civil protection, crisis situations, excluding war and state of war. (Mesíková, 2008, p. 93) Specialized district and sub-district offices for road transport (8+46), regional and sub-district land offices (8+44), regional and sub-district forest offices (8+40), regional and sub-district offices for the environment (8+46), regional building offices (8), regional school offices (8) were established. The scope of activities of specialized sub-district offices normally covered the area of several former districts. Districts ceased to be the direct carriers of the territorial state administration, although in most of their seats (as well as in other municipalities) permanent or temporary sub-district offices were established. (Nižňanský, Hamalová, 2013, p. 7)

A too large number of specialized state administration bodies resulted in the fragmentation of the state administration and lack of transparency in the organizational structure of public administration for citizens. Under this system, the costs for administration of public affairs were higher, legitimate procedures were not transparent, and law enforcement was not effective.

From 2004, executive power was exercised by the *Government.* According to the Competency Law, ministries and other central state administration bodies shared executive competences and responsibilities for the execution of state administration. In addition, Ministry of Interior was responsible for coordinating local state administration within regions. In terms of self-government, however, municipalities were not subordinate to regions.

Municipalities have legal personality at the level of local self-government. They own property, have their own budget, are independent in terms of personnel and finance, may do business, collect local taxes and fees. They may participate in activities related to international, cross-border and national cooperation. Self-government is performed by elected bodies, voting by citizens, local referenda, and public meetings. Within their self-government competences, municipalities may issue generally binding regulations and statements. Additionally, municipalities ensure the exercise of the transferred scope of activities of state administration.

The entry of Slovakia into the European Union had a significant impact on municipalities as the role of self-governments in the system of public administration was strengthened. Thus, municipalities were not able only to start cross-border cooperation, ratify international documents related to local self-government, but they were also competent to make targeted allocations of EU structural funds as well as those of community programs for municipalities and associations of municipalities.

In the context of fiscal decentralization, changes also affected the funding of municipalities building on the comprehensive tax reform and a flat tax on profit (19%) from 1 January 2005. The changes were intended to strengthen fiscal autonomy of municipalities in terms of property and local taxes, and redistribution of transfers from the state budget using a formula considering the structure of transferred competences.

Higher territorial units also have legal personality. They own property, have their own budget, may do business, and collect administrative fees. They may participate in activities related to international, cross-border and national cooperation. Self-government is performed by elected bodies and referenda. Within their competences, higher territorial units may issue generally binding regulations. Self-government of higher territorial units has self-governing (original) competences, however, they also perform some tasks transferred to them from the state administration (e.g. some competences in areas of education, health, road transport).

Fiscal decentralization, as mentioned above, built on the reforms of 2002 – 2004 when the first stage of fiscal decentralization was completed as a part of transferring competences to municipalities and self-governing regions. During the first stage, a special temporary regime of financing the transferred competences was used (the so called decentralization subsidies from the state budget). (Kozovský, 2005). This method of financing caused several problems. For instance, in terms of decentralization subsidies, changes in the transfer of tasks from the state administration to local self-government were not considered, such as payments to employee insurance schemes, property insurance, etc. Local self-governments took over not only the tasks but also deficiencies caused by the mismanagement of state property without any financial compensation, such as unsettled properties, lack of documentation or inspection reports, unfinished buildings, etc. Another problem was that the state transferred competences to all municipalities, but the volume of funds transferred amounted to that of fulfilling the tasks in 79 district offices. Moreover, the state did not allow self-governments to manage the assets in a rational and efficient manner as they were obliged to maintain the original purpose of assets handed over (Nižňanský, 2005). Since the problems were not overcome, the issue of funding had to be addressed. Therefore, as of 1 January, 2004 the purposeful subsidies were replaced by the so called global subsidies – capital and current expenditures. Bodies of higher territorial units are in charge of allocating the subsidies. Tasks performed on behalf of the state (transferred competences) remained to be financed by purposeful subsidies. The process of fiscal decentralization continued in its second stage of 2005 in order to improve the financial independence of territorial self-government, increase pressure on more efficient expending one's own revenues, and last but not least, the interconnectedness of range and quality of services provided by self-governments and their effect on tax burden of population. (Kováčová, 2010)

Within the second stage of the fiscal decentralization, revenue budgets were decentralized. Powers related to the generation of financial resources were transferred to municipalities and higher territorial

units. Thus, the financial independence of self-governments was strengthened. As stated by Horváthová (2009), the issue of tax revenue played a critical role in public budget making. Thus, the tax powers and tax determination were divided to individual levels. This applied especially to solid base taxes raising regular and sufficient revenue. Seven local fees turned into local taxeswhose revenue was included in the budget of municipalities. Real estate tax was collected by municipalities, road tax (tax on motor vehicles) became a regional tax, and the income tax of legal persons was collected by the state. The income tax of legal persons was a proportionate tax, the yield of which was distributed to municipalities, higher territorial units and the state in the ratio of 70.3%, 23.5% and 6.2% respectively. The government regulation set the criteria for further distribution of the income tax to villages and higher territorial units (population, area, population density, population social and age structure, altitude, number of pupils in elementary schools of art and other school facilities, road length). Thus, budget making of self-governments became more transparent and it was easier to plan their revenue and expenses.

The follow-up **reform of 2007** built on a series of reforms implemented after the admission of the Slovak Republic to the EU in 2004. Pursuant to the Act 254/2007 Coll., regional offices of the sectoral scope of the Interior Ministry were abolished as of 30 September, 2007. The scope of their activities was passed to the sub-district bodies and relevant ministries, i.e. all the rights and obligations were transferred to sub-district offices based in regions with adjusted conditions. (Marišová et al. 2013, p. 77) Thus, the independent position of sub-district offices was strengthened since they became legal entities. Additionally, they became budgetary organizations and financially linked to the budget of the Slovak Ministry of Interior. Sub-district offices were led by mayors who were appointed to and removed from the office by the Slovak government upon the proposal of the Minister of Interior. Mesíková (2008, p. 24) states that some responsibilities related to civil registries, public collections and national symbols were also transferred to sub-district offices (50). The matters regarding the issuance of special licenses and vehicle markings for the disabled, integrated rescue system, civil protection and crisis management were handled by 8 sub-district offices. Part of responsibilities regarding the citizenship procedures, registries and sole trading were transferred to the Ministry of Interior. Concerning the scope of activities, some ministries were to exercise a two-level state administration.

The local state administration consisted of sub-district offices only (the so called general ones) at regional level from October 2007. The implemented reforms placed heavy material and political responsibility on ministers and ministries. There was also a decrease in the number of offices and public employees by which the set goal was achieved, i.e. streamlining the entire state administration system at the level of regions, municipalities and villages.

Regarding changes in the system of local self-governments, the Government of the Slovak Republic took note of the Concept of modernization of the local self-government system in 2009. Its objectives

include the economization and computerization of local self-governments and human resource development. Special attention was paid to making the performance of local self-governments more efficient, and of better quality. In addition, transparency, openness, engagement and responsibility were of interest and importance. In the area of human resources development, various forms of education of local self-government employees, in particular those funded by the European Social Fund have been dealt with.

By adopting some legislative changes over the years 2005 – 2012, municipalities were assigned new duties. However, the principle of subsidiarity was not respected and major discrepancies between the municipal scope of competences and sources of their financing occurred. Several changes had a negative effect on municipal financing, e.g. decreasing the share of local self-governments in tax revenue from income tax of natural persons, expanding the scope of exemptions from local taxes, extending the scope of state-determined compulsory municipal expenditures, etc. (Nižňanský, Hamalová, 2013)

2.4 Changes in the public administration system of the Slovak Republic after 2013

In their Program Declaration for 2012 through 2016, the Slovak Government committed themselves to adopt measures to make public administration performance more efficient and advanced. The **ESO Programme** (Efficient, Reliable and Open state administration) was approved by the Government of the SR in April 2012. Its implementation should simplify the provision of services ensured by the state to the citizens. From the point of view of citizens and business entities, general government should be simple, well-arranged and accessible, it should work sustainably, transparently and with efficiently spent financial means. There have been three stages to achieve this target. One of the main pillars of the reform is the integration of specialized local state administration into a single state office. Pursuant to the Act No. 345/2012 Coll. on Certain Measures concerning State Administration, the existing regional offices of specialized state administration were abolished and their responsibilities were transferred to integrated bodies in the respective territory. Pursuant to the Act implemented in the first stage of the reform, 64 specialized regional offices were abolished as of January 2013 and their competences were passed on other state institutions.

The aim of the second stage was to create a uniform system of local state administration bodies. Effective from 1 October, 2013, the sub-district offices of the Environment, sub-district offices for road transport and communications, sub-district forest offices, sub-district land offices and cadastre administrations were abolished. Pursuant to the Act No. 180/2013 Coll., the district offices of integrated local state administration were re-established in 72 locations (Bratislava and Košice had one district office each, with the territorial scope covering all the districts of these cities). Only some of the state offices in the respective territory were affected by the changes. Several of them (Police Force, Fire and Rescue Corps, Mining Office Board, Labour Inspectorate, Financial Administration,

Monuments Board, State Trade Inspection, Veterinary and Food Administration) should continue performing their duties under special arrangements.

The third stage of the reform was aimed to integrate specialized local state administration bodies into a district office, restructure and transform other specialized bodies at regional level, make the performance of central bodies of state administration as well as self-government more efficient, establish client centres for citizens. **Client centres** have been established to ensure contact of the citizens with the integrated local government. They operate within the organizational structure of district offices. Their purpose is to ensure communication with the respective offices and to deliver final products to citizens.

The centres provide services according to individual agenda branches: Trade Licences; Registry; Residential; Section of Road Transport; the Environment; Documents and Registration of Vehicles; Commercial Register – extract from the Commercial Register; Offences; Education Section; Forest and Land Office; Labour, Social Affairs and Family; Social Insurance Agenda; Tax Agenda; Health Insurance Agenda. It follows that client centres provide inter-ministerial agendas. Therefore, it is necessary to optimize processes of all the institutions concerned. The quality of services will be provided in line with the Voluntary European Quality Framework.

Self-governments continued to work under fiscal decentralization processes. During this period, the ratio of the income tax of natural persons for municipalities changed several times (in 2012: 65.4%, 2014: 67%, 2015: 68.5%) and for higher territorial units (2014: 21.9%, 2015: 29.2%). From 2015, the revenue from the motor vehicle tax goes to the state budget, not to the higher territorial units as was the case before 2015. Frequent changes in self-government financing cause not only financial difficulties to municipalities and higher territorial units but also enlarge the discrepancy between the scope of powers and duties and own funding options.

The transfer of other competencies to local self-governments in terms of the application of subsidiarity principle is opposed by representatives of civil service and local self-governments. A marked **fragmentation** of the Slovak settlement structure is another obstacle. Slovakia is characterized by a strongly fragmented settlement structure, and a poor structure of municipalities. As stated by Tichý (2005), the present form of the Slovak settlement structure is affected by several factors, such as broken terrain, history of settlement, development of economic activities and their concentration in selected locations, and especially the integration of municipalities under socialism and their disintegration due to the introduction of democratic elements into the administration of the state following 1990. The number of small municipalities kept decreasing until 1989, whereas there was an increase in the number of municipalities following 1990 as a result of forced integration of municipalities during the centralization period. Today, more than 65% of municipalities have a population of less than 1,000 people. Small municipalities have limited budget revenues, and therefore

unable to ensure effective implementation of original and transferred competencies, and provision of local services. On the other hand (in light of effectiveness), voluntary merging of municipalities cannot be envisaged due to concerns about losing one's identity and autonomy. A partial solution to the issue of fragmentation is the association of municipalities in order to perform certain municipal functions as well as inter-municipal cooperation.

2.4.1 Electronic public administration

Electronic public administration refers to the application of information and communication technologies in the public administration activities, which represents a natural part of the informatization process of society. The informatization of public administration is referred to as e-Government. With this regard, it should be born in mind that informatization plays a critical role in the development of knowledge society. In addition, it is one of the most significant stimuli for economic growth and productivity, supporting the creation of new jobs and economic activities, increasing added value and concentrating the best innovation potential. (Kolektív, 2012) E-Government means the use of information and communication technologies (ICTs) to execute public administration electronically. E-Government includes the following types of on-line communication:

- G2E – Government to Employee,
- G2G – Government to Government,
- G2C – Government to Citizen,
- G2B – Government to Business,
- G2A – Government to Administration.

The main task related to the development of the information society is to enhance the quality of e-Government services, increase the efficiency of public administration through the use of information and communication technologies (ICTs) in accordance with the objectives set in the Digital Agenda for Europe. Following the Strategy for the Public Administration Informatization, selected agendas were made electronic in the programming period 2007 – 2013. All the efforts were focused on providing e-services to citizens by using public administration information systems. The operational program Public Administration Electronization is designed to eliminate shortcomings and adjust the quality of processes and systems. In the previous programming period, public services failed to provide comprehensive solutions to life situations of citizens. Therefore, this issue will be addressed under the operational program Public Administration Electronization in the new programming period. Processes related to e-Government development in Slovakia by 2020 envision active implementation of the transition to a well-functioning information society and smart government. *(Operational Programme Effective public administration 2014-2020).*

It is essential that the e-Government infrastructure in Slovakia be able to satisfy above the average demand as the computer and Internet literacy of citizens is rapidly increasing. There are several widely

used services of high priority within the strategy of e-Government services development, such as job search, filing of income tax return, motor vehicle registration, or social security.

Hvozdíková, Hošoff, Jeck (2011) say that the e-Government implementation in Slovakia shall also bear in mind the EU priorities, such as building Internet-based open platforms and standards, creating a new model for the internet administration, strengthening the EU position in international fora affecting the global ICT development and projects leading to green infrastructure.

3. Critical assessment of implemented reforms in Slovakia

prof. Ing. Beáta Mikušová Meričková, PhD. (beata.mikusovamerickova@umb.sk)

Ing. Mária Murray Svidroňová, PhD. (maria.murraysvidronova@umb.sk)

Katedra verejnej ekonomiky a regionálneho rozvoja

Ekonomická fakulta Univerzity Mateja Bela v Banskej Bystrici

In Slovakia, there were several public administration reforms which implemented instruments containing elements of the concept of public administration reforms such as New Public Management, Governance, Digital Era Governance. These should bring more efficient functioning of public administration and better services for citizens. The most important reform steps can be summarized as:

1. decentralization of public administration,
2. fiscal decentralization and reform of public financial management,
3. professionalization of public administration and the creation of the Civil Service Office,
4. informatization of public administration,
5. the ongoing reform of public administration "ESO" (in Slovak "Efektívna, Spoľahlivá a Otvorená verejná správa" standing for efficient, reliable and open public administration).

Decentralization of public administration was to bring dual management model based on the independent functioning of cooperating components - state and local governments with their associated competencies defined. At the level of state government, the previous period was marked by unsystematic changes in the management from specialized to general and vice versa. These changes accompanying the territorial changes did not bring greater efficiency of its function nor significant improvement of public services provided to citizens. A positive change in this area might be the creation of "one stop shops", but the period of their functioning to assess their real benefits is relatively short.

Fiscal decentralization as a result of a major shift of competencies from state administration to municipalities and self-governing regions was aimed to strengthen economic sovereignty of local and

regional government and create conditions to increase the efficiency, transparency and effectiveness in the use of public resources. Despite the up-to-date changes in this area and their positive effects, we still cannot conclude whether it is a success. The complexity of changes made has not resulted into clear and efficient results yet (this is also presented in the analysis of the provision of public services at the local level – case 1). The problems of fiscal decentralization in Slovakia can be summarized as follows:

- Relativity of the lower levels of government autonomy – it can be spoken about the autonomy only if the lower levels were able to finance their activities without the amount of money dependent on the arbitrariness of the state. Financial autonomy of municipalities is not absolute even in the case of local taxes, despite the fact that the municipality determines which entities have to pay tax and in what amount. The problem is that the possibility to levy the local taxes is done by law, and therefore, the state government as lawmaker (not the municipality) may at any time abolish or amend this law.

- Relativity of effectiveness in use of public resources and/or citizen participation in decision-making on the use of public resources - though the local governments that are closer to the citizens should be able to more accurately identify and respond to the preferences of citizens and thus improve the effectiveness of public funds spending and increase citizen satisfaction with the quality of service, they are often passive in this aspect. Activation of citizens by the government in participation in decision-making on the use of public sources is an exception (as presented in case 2).

- Relativity of more efficient control of public sources spending - although the control of funds spent at the local government level is a three-step (state, main controller of the municipality, citizens), it is more formal, focused on the legality and not on the efficiency of public spending (see case 1).

- Relativity of benefits of fiscal decentralization as such because of the high fragmentation of the territory - high number of self-governing units with small populations.

As less alarming problems of fiscal decentralization, which have rather theoretical basis, we can mention the fiscal externality, the free rider problem and the violation of equality in the consumption of public services. Also the accountability and skills are still not sufficient.

The declared objective of **the civil service reform** was to introduce into the civil service decision making on the basis of meritorious formal criteria and restrict political freedom in deciding on personnel matters of civil servants. Therefore, the priority should have been strengthening the responsibility, political neutrality and impartiality of civil servants, i.e. supporting the stability of the civil service. Public administration in Slovakia at the time of the civil service reform was not ready to create professional managerial decisions by a central structure - the Civil Service Office that was politically independent. The Office operated in Slovakia from 2002 to 2006, when it was repealed by

the Parliament. The Office sought to coordinate national service with two instruments: systemization and central register of civil servants, but it was not very successful. The main obstacles to success were the lack of law harmonization and lack of clarity of the law on the civil service which influenced the uncertainty concerning the role of the Civil Service Office, as well as disseverment of individual service offices which hardly cooperated with that time newly established office. To conclude, the civil service reform was done under the pressure from the EU but currently a reversal can be observed and most of the basic principles do not work.

Informatization of public administration had not been a priority of the Slovak government until 2004. After 2004, the government undertook in a number of documents to speed up the process of informatization of public administration in the Slovak Republic:

- Informatization of Society Strategy in the Slovak Republic approved in 2004,
- Slovak Competitiveness Development Strategy 2010, approved in 2005,
- Roadmap for the introduction of electronic public administration approved in 2005,
- Operational Programme Informatization of Society 2007-2013.

To remove the barriers to public administration informatization in Slovakia, there were 993,095,405 EUR allocated in the period 2006 - 2013. These funds were aimed to the fulfillment of the four main objectives set out in the Strategy of public administration informatization in the Slovak Republic until 2013.

- Increase of satisfaction of citizens, businesses and other entities with public administration by reducing the administrative burden on citizens in contact with public authorities and to simplify citizens' opportunities to participate in public affairs.
- Introducing of electronic devices in public administration processes through the creation of additional electronic registers for administrative operations and their connection to existing registers, ensuring their usability for legal acts.
- Effective and efficient public administration through a functional system of e-Government
- Increase of public administration competence by increasing the computer literacy of public servants.

In early 2011, a document called Revision of e-Government development (mid-term plan of implementation priorities) was approved which examines mainly the practical level of meeting the objectives: "current approach to the practical implementation of e-Government in Slovakia appears to be insufficiently efficient and slow. When creating the projects, the e-Government was seen as an electronization process of existing public administration services to the citizens and not as a tool for their radical streamlining. Attention was paid particularly to the technological solutions deploying ICT in existing processes without any apparent correlation with tangible benefits for citizens, businesses and public employees." Since 2011 to the present no material that would evaluate additional process of

informatization of public administration in Slovakia has been officially released by the Ministry of Finance as the central government body for the informatization.

In e-Government the electronization of existing public administration processes and/or public services is not essential. E-government should constitute a new transparent governance model for public administration (including efficient management of public services) that minimizes the administrative burden of public services consumption for citizens and creates the content and quality as close as possible to the citizens' needs. It can be said that so far this essence of e-Government in the implementation and building of e-Government in Slovakia has not been understood.

This is also confirmed by the last survey carried out for the Ministry of Finance by a company GfK Market Research Institute Ltd. regarding citizen satisfaction with e-Government services. The survey was conducted on the sample of 1,000 people aged 18 to 65 established by a quota sample (gender, age, education, region, size of municipality) at the end of 2013 through telephone polling. The results confirmed the computer literacy of the population, as well as the possibility of access to the Internet - up to 84% of surveyed residents use the Internet. The users are not only the younger age groups or groups of people with higher education but 57% of the elderly population aged 60 to 67 years use the Internet and up to 60% of the population with primary education can use the Internet. Use of the Internet by citizens of the Slovak Republic is growing every year - since 2010 it has risen from 60% to 72%. These facts suggest that Slovak citizens are prepared for e-Government, i.e. they expect growth in the volume of services provided electronically. In reality, however, electronic contact of citizens with public authorities in its simplest form, such as obtaining information by citizens from public authorities, is less intensive in the last period (69% of the citizens obtained information from public authorities and 54% used forms downloaded from the webpages of public authorities in 2011 but only 53% of the citizens in 2013 obtained the information electronically and downloaded official forms were used only by 40% of the citizens). The dominant form of citizens´ contact with the public authorities has become a personal visit (75% of the citizens), i.e. the development of recent years has opposed the very essence of building the e-Government. The citizens most often attend public institutions of local self-government offices (almost 60% of citizens come into contact with the local self-government several times a year). This means here is the widest space for the development of e-Government.

Several rather expensive projects on electronization of public services at local self-government level already exist; it might therefore seem that the situation in this area is developing positively. But the real rate of local electronic services used by the citizens is rather low. This may be due to a poor public awareness of available electronic public services. On average, 48% of citizens considered information on electronic public services insufficient, while age, education, even the size of municipality, where citizens live, do not play a key role. Problem is apparently on the side of public administration and to mention the local self-government specifically, bigger cities and towns are not acceding to building of

e-Government any more responsible than small town and villages, despite the fact they were given some financial resources and human capacities (51% citizens from municipalities sized 50,000 – 100,000 inhabitants feel inadequately informed about public e-services, in small municipalities under 2,000 inhabitants it is 41%).

Even when the citizens have the information about e-government services, these are not acquired from the provider of public services itself, i.e. from the organization of public administration (only 18% of citizens are aware of electronic public services directly from their providers!). Most citizens receive information from the media, from friends and relatives, and these data are incomplete (70% of citizens do not understand the principle of public e-service completely, regardless of age, education or the size of the municipality. In the modern era of information technology, 54% of Slovak citizens never used any form of electronic contact with public authorities. For citizens who did use any electronic contact with the authorities, only 20% used a full electronic public service, the rest only looked up information from websites or downloaded official forms, but the service itself they dealt in person).

Citizens who have used public electronic services do not evaluate their quality very high (only 10% of citizens perceived that electronic public services fully met their needs). Most of them see the only benefit of e-Government in time savings, other benefits such as increased efficiency, service quality and increased transparency, citizens do not perceive.

As the main problem perceived by the citizens is the non-complexity of public services - electronic way of the provision of certain public services is not fully equivalent to conventional way (23% of those who wanted to use public e-services had to visit the office in the end). Compared with electronic services provided by private companies, the public e-services are evaluated to have a lower quality by 60% of those who use these services.

The following case studies document some of the abovementioned problems of public administration at the local self-government level.

3.1 Case 1 Public service delivery at the local self-government level

One of the most prevalent types of privatization in context of NPM in public administration reform is contracting public services with private for-profit and non-profit firms (Savas, 1987; Prager, 1994; Bailey, 1999). It is used mainly at the local government level (Shetterly, 1998; Nemec, 2002) with guiding principle to increase individual choice, and to improve cost-effectiveness, quality and equity (Bailey, 1999; Ovretveit, 1995; Lane, 2000; Engelbeck, 2004; Epstein, 1984). However, some authors stress the barriers to effective contracting as well as the negative impacts connected with the use of competition and contracting (Bailey, 1999; Pollit and Bouckaert, 2000; Lane 2000).

We use original collected survey data from our own research to critical assessment of contracting public services as selected implemented public administration reform tool in Slovakia.

The following research samples are used in the text:(1)

1. A representative sample of 55 municipalities, of varying sizes, from 2001.
2. A representative sample of 17 municipalities, of the same size, from 2005.
3. Data gathered by the 2006 research project (including our team) of Transparency International Slovakia; focusing on the relationship between the local public service delivery arrangements and costs efficiency of service delivery. The sample covered 100 municipalities.
4. A sample of 28 municipalities, of varying sizes, from 2008.
5. A representative sample of 131 municipalities, of varying sizes, from 2009.
6. A representative sample of 141 municipalities, of varying sizes, from 2010.

Taking the possibilities to obtain necessary dates into account, we focus on the following selected services:

(1) Maintenance of local communications;

(2) Maintenance of public lighting infrastructure;

(3) Management of cemeteries;

(4) Waste collection and waste disposal;

(5) Management of public parks and green areas.

The main issues included in the analysis are:

(1) The frequency of the use of contracting-out;

(2) Benchmark of efficiency and quality impacts of contracting out local public services;

(3) The way/system of deciding the contracting-out and selecting the supplier;

(4) The quality of contract management.

3.1.1 The scale of contracting-out

There is no standard pattern for local service delivery in Slovakia. A variety of options are available, including municipal-owned enterprises, joint provision by neighboring municipalities, contracting services from larger neighboring municipalities, or contracting from private organizations, NGOs or community groups.

Table 1 demonstrates the scale of contracting-out in Slovakia and its development trends. Percentages in Table 1 represent the scale of contracting-out of selected local public services among all used service delivery methods.

Table No. 1: Scale of contracting-out of the delivery of selected local public services in Slovakia (%).

Service / Year	2001	2005	2006	2008	2009	2010
Waste	49	64	69	80	80	80
Cemeteries	27	12	16	13	13	24
Public green areas	16	18	33	14	6	34
Communications	21	41	45	38	55	48
Public lighting	30	35	40	39	38	57

Source: Original research is based on the data obtained from selected municipalities related to local service delivery in 2001 and 2010, and data gathered from results of research projects of Transparency International Slovakia is realized in 2006.

According to the collected data, external delivery of local public services were already used to a medium degree in Slovakia. The scale of local public services contracted out by municipalities had apparently increased during the time period 2001-2010, mainly in case of management of waste collection and disposal. Finally we can state, external delivery of local public services is a frequent solution in Slovakia.

As indicated, the economic theory does not provide one optimum form of delivery of local public services that suits to all different conditions of municipalities. Because of this fact, the process of deciding which form to use in concrete place and for concrete service shall be based on systematic assessment of concrete environment and such decisions shall be based on transparent set of criteria and processes. The decision to contract the public services should be based minimally on the comparison between the costs of internalizing and contracting service-performance benchmark. If the municipalities made such systematic decision, contracting should be less cost-intensive than internalizing service, when the scale of contracting is rising. The following part shows what the Slovak reality is.

3.1.2 The efficiency impacts of contracting local public services

The unit costs are the simplest benchmark of efficiency in service delivery. However, to understand the data obtained, we have to respect several factors determining the complexity and character of the obtained data:

(1) In some cases, we cannot calculate the unit costs. The reason is that the service extent can be hardly quantified and the unification of service delivery does not exist. There are no official standards of local public services delivery;

(2) The other problem is that the monitoring of this measure by the local self-government is by no means complex. There is no real accrual accounting at the level of local self-government and no possibility to find the real cost value of service delivery.[2]

The results of our efficiency benchmark are presented in Table 2, comparing unit costs of internal delivery with contracted services.

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[2] In case of internal service delivery, the accounted service costs are mostly lower than the real costs of service delivery and it contains only the direct costs, because there is no accrual accounting at the local self-government level in Slovakia. We can consider the data of the costs of service delivery realized by the municipal employees, brutto-budgetary and netto-budgetary organisations of the municipality as disvalued.

Table No. 2: The efficiency benchmark of contracting (internal form = 100%).

	Slovakia					
Service	2001	2005	2006	2008	2009	2010
Waste management	94	94	125	184	100	138
Cemeteries	64	13	67	146	87	84
Public green	82	192	150	151	120	97
Maintenance of local communications	70	109	119	114	100	84
Maintenance of local lighting	100	138	128	156	104	103

Source: Original research is based on the data obtained from selected municipalities related to local service delivery in 2001 and 2010, and data gathered from results of research projects of Transparency International Slovakia is realized in 2006.

The data presented in Table 2 show very different benchmark results. Contracting-out public services is apparently more cost-intensive than internal delivery of public services almost in all cases, especially in last years. There might be several reasons for this result and we cannot pick just one of them:

(1) The mentioned inaccuracy in calculating the real cost of service delivery by the local self-government. In any case, as indicated, because there is no accrual accounting at the level of local self-government and thus no possibility to measure the real costs of service delivery, internal delivery costs are underestimated. This means that in cases where the index of external delivery is below 100%, contracting shouldn't be really cost effective;

(2) Insufficient supply of public services produced by the private sector in the territory of the municipality or monopoly position of a private producer of public service—it creates a situation that an inappropriate price for service production is charged by the private partner;

(3) Different local characteristics, different citizens' requirements for services;

(4) Higher quality standard of contracted local public services obtaining is cost-intensive;

(5) The unsystematic decision-making process in the selection of service delivery arrangement and large potential for corruption in external service producer selection—unprofitable contracts for the public sector have been signed.

Mainly the last reason is interesting.

However, the simple cost-per-inhabitant analysis can misrepresent the outcomes of efficiency impacts analysis. This is why we also used the method of best values of indicators (MBVI) to construct

composite efficiency scores - a representative sample of 141 municipalities, of varying sizes, from 2010.

The technical efficiency of service delivery arrangements can be measured by parametric and non-parametric evaluation methods, which permit simultaneous comparison of the inputs and outputs of a service production and produce concise indicators of efficiency. Both methods allow considering the heterogeneous character of the output produced by different decision making units (DMUs) and are particularly well-suited for developing indicators to compare the efficiency of different service delivery arrangements (Fiala, Jablonský, Maňas, 1994; Lysá, 2002).

Since each method is based on different hypotheses with differing degrees of stringency, they will lead to different (sometimes contrasting) results regarding the efficiency levels of the service delivery arrangements examined. Parametric analyses require a prior definition of a production function of services, whereas the non-parametric analyses determine the relative efficiency scores of similar service delivery arrangements by means of linear programming techniques, without detailed descriptions of their production processes (Murtag, Heck, 1987; Vlček, 2004).

Given the multi-output nature of the public organizations involved in analysis, we will focus on a particular non-parametric method, the Method of best values of indicators (MBVI), which is encountering growing consensus as a powerful tool to measure public organizations productivity because it allows the heterogeneity of delivered outputs to be taken into account (Hinloopen, Nijkamp, Rietveld, 1982). MBVI as the nonparametric multidimensional approache to the evaluation of efficiency of Decision Making Units (DMU) is based on a weighted sum algorithm (Charnes, Cooper, Rhodes, 1978). Here we designated the service delivery method as a DMU.

As it uses a particular type of linear programming, MBVI makes it possible to determine the efficiency score of service delivery arrangements (DMU) without the need for a detailed description of the production process and to express the efficiency of evaluated DMUs, taking multiple indicators into consideration, measured in different units (Murtag, Heck, 1987; Vlček, 2004).

MBVI is particularly useful when input total costs are not available, thus making it impossible to estimate a service function cost. This is the case of most Czech public organizations, where the accrual accounting does not work (Meričková, Nemec, Ochrana, 2008).

MBVI as one of the nonparametric multidimensional approaches to the evaluation of efficiency of Decision Making Units (DMU) based on a weighted sum algorithm is used to the efficiency evaluation of internal service delivery arrangements (outsourcing and in-house production).

Following Žižka (1988, 146-147), we consider m service delivery arrangements - alternatives Ai ($i = 1 \ldots m$), and n indicators of evaluation Kj ($j = 1 \ldots n$). When we assign empirical values for all delivery alternatives and evaluation indicators, we obtain the evaluation matrix X. Because indicators use different measurement units we normalize their values xij as follows:

If the best value of the indicator is its maximum value, we normalize by:

$$a_{ij} = \frac{x_{ij}}{x_{max}}$$

(1)

If the best value of the indicator is its minimum value we normalize by:

$$a_{ij} = \frac{x_{min}}{x_{ij}}$$

(2)

Thus we generate a matrix of normalized indicator values (A), which fall in the interval (0, 1). Then we assign the weights vj to the indicators, where:

$$\sum_{j=1}^{n} v_j = 100$$

(3)

The final evaluation of the efficiency of each alternative is obtained by multiplying matrix A by the column vector of weights vj :

(4)

The most efficient service delivery alternative is the option with maximal composite score E. The composite efficiency of other options is given proportionally to alternative E max.

For the purposes of our research we have chosen following:

- The costs of service delivery per citizen
- The unit costs of service delivery (Table 3)

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- The quality of service.

Table No. 3: Selected calculations units for evaluated services.

Service	Calculation unit
Waste	1 metric ton of waste
Public lighting	1 light point
Communications	1 km of communications
Public green areas	1 m^2 of public green areas
Cemeteries	1 grave place

Source: own research.

For local public services we have to acknowledge that measuring the quality of a service is generally much more difficult than measuring the quality of goods. Service quality may be identified in terms of performance characteristics, but their assessment may require subjective judgments. It can be measured through user satisfaction, but this is subjective because individual opinions on what constitutes a high standard of service quality may vary from one user to another.

To cope with this problem as much as possible we follow the research methodology of several existing studies in this area (Löffler 2002; Wisniewski 2001; Potůček 2005). The citizens' satisfaction with local public services is the measure of local public services quality in these studies. Data on service quality were provided by the users, the citizens of different municipalities, through a questionnaire. The samples are non-representative (total 1410 persons interviewed), so we accept that our summary data are partly preliminary.

For the purposes of our research the employees evaluated service quality using the following scale:

Absolutely satisfied	100 %	
Satisfied	80 %	
More satisfied than unsatisfied	60 %	Rate of satisfaction
More unsatisfied than satisfied	40 %	
Unsatisfied	20 %	
Absolutely unsatisfied	0 %	

To calculate MBVI we assigned weights (vj) to the indicators (Table 4). To set the weights we used Saaty`s method (Saaty et al., 1983) with inputs from a panel of experts on outsourcing.

Table No. 4: Weights (vj) assigned for selected indicators.

Indicator	vj %
Unit costs of service delivery per citizen	30
Unit costs of service delivery per service outcome	30
Quality of service	40
Σ	100

Source: own research.

Table 5 provides summary index data on the comparative efficiency of contracting out, as in Table 2, but adding information on unit costs as well as costs per capita. As in previous studies there is no clear conclusion for either the selected services or the municipal size categories.

Table No. 5: Comparative Efficiency Index For Contracting vs. Internal Production, 2010 (Internal Form = 100).

Service	Size categories by number of inhabitants						Average
	Less than 999	1000 – 4999	5000 – 9999	10000 – 19999	20000 – 49999	more than 50000	
	Costs of service delivery per inhabitant						
Waste	43.43	54.41	82.29	113.89	129.33	266.61	114.99
Public lighting	105.58	162.18	97.81	60.93	69.76	156.11	108.73
Communications	133.53	35.15	27.29	25.92	58.49	25.70	51.01
Public green areas	268.18	79.58	23.59	108.26	89.68	124.94	115.71
Cemeteries	(-)	381.74	105.37	37.06	143.33	47.16	142.93
Average	137.68	142.61	67.27	69.21	98.12	124.10	
	Unit costs of service delivery						
Waste	31.19	198.44	63.14	3.91	204.26	(-)	100.19
Public lighting	92.81	90.21	49.30	64.59	103.94	133.63	89.08
Communications	228.60	79.99	425.43	233.87	459.64	200.62	271.36
Public green areas	186.08	0.51	1.20	41.46	143.19	162.01	89.08
Cemeteries	(-)	11.07	83.93	413.19	1.18	110.84	124.04
Average	134.67	76.04	124.60	151.40	182.44	151.78	

Source: Original research is based on the data obtained from selected municipalities related to local service delivery in 2010.

Note: Efficiency is measured as the ratio of the average cost of contracted services to the equivalent figure for internal delivery (either per capita or per service unit), multiplied by 100.

Table 6 shows the same data but in a different form—it directly compares absolute costs (in EUR) of internal and external production per capita and per output unit. Perhaps surprisingly there is no evidence of economies associated with contracting.

Table No. 6: Absolute Costs of Public Services (€): Direct Comparison of Contracting vs. Internal Production, 2010.

Service	Service delivery alternative	Number of inhabitants					
		less than 999	1000 –4999	5000 – 9999	10000 – 19999	20000 – 49999	more than 50000
		Costs of service delivery per inhabitant (in euros)					
Waste	internal	32.42	35.03	26.10	28.50	21.07	41.18
	contracting	14.08	19.06	21.48	32.46	27.25	109.79
Public lighting	internal	4.30	3.49	5.02	8.78	9.16	9.25
	contracting	4.54	5.66	4.91	5.35	6.39	14.44
Communications	internal	3.40	19.23	12.09	14.89	27.18	66.43
	contracting	11.34	6.76	3.30	3.86	15.90	17.07
Public green areas	internal	2.42	5.24	3.73	7.26	7.27	12.27
	contracting	6.49	4.17	0.88	7.86	6.52	15.33
Cemeteries	internal	1.67	1.15	2.98	7.34	0.90	2.99
	contracting	(-)	4.39	3.14	2.72	1.29	1.41
		Unit costs of service delivery (in euros)					
Waste	internal	302.89	117.05	164.91	6070.02	34.75	(-)
	contracting	94.48	232.27	104.13	237.13	70.98	1470.90
Public lighting	internal	38.27	35.34	144.28	94.48	76.60	133.24
	contracting	35.52	31.88	71.13	61.02	79.62	178.05
Communications	internal	570.03	1380.05	144.12	183.93	165.82	362.72
	contracting	1303.11	1103.95	613.13	430.15	762.17	727.67
Public green areas	internal	1482.69	56757.06	977.80	554.58	100.06	360.22
	contracting	2759.00	287.31	11.74	229.93	143.28	583.59
Cemeteries	internal	2.65	2.62	9.46	6.37	949.11	11.07
	contracting	(-)	0.29	7.94	26.32	11.19	12.27

Source: Original research is based on the data obtained from selected municipalities related to local service delivery in 2010.

Table 7 presents the results of the quality assessment/comparison of contracting-out and internal delivery arrangements for the selected municipalities.

Table No. 7: Quality of Delivered Services: Citizen Satisfaction Survey, 2010 (% Satisfied).

Service	Service delivery alternative	Number of inhabitants						Average
		less than 999	1000 – 4999	5000 – 9999	10000 – 19999	20000 – 49999	more than 50000	
Waste	internal	66.00	74.00	67.00	63.00	72.00	0.00	57.00
	contracting	68.55	71.00	59.00	77.00	66.00	71.00	68.76
Public lighting	internal	63.29	65.65	72.00	56.00	67.00	70.00	65.66
	contracting	69.94	71.80	59.00	68.00	70.00	76.00	69.12
Communications	internal	64.84	49.56	50.00	51.00	50.00	50.00	52.57
	contracting	49.74	48.56	54.00	40.00	47.00	40.00	46.55
Public green areas	internal	62.97	63.37	66.00	79.00	61.00	90.00	70.39
	contracting	68.50	52.00	62.00	53.00	62.00	57.00	59.08
Cemeteries	internal	67.78	71.41	67.00	75.00	71.00	75.00	71.20
	contracting	(-)	62.66	71.00	61.00	67.00	65.00	65.33

Source: Original research is based on the data obtained from selected municipalities related to local service delivery in 2010

Tables 5, 6, and 7 provide the basis for the final calculation of the total composite efficiency of selected modes of delivery of local public services in this sample of municipalities using the MBVI method described above for three selected indicators—costs of service delivery per inhabitant, unit costs of service delivery, and quality of service. The maximum combined score is 100 points, with higher scores indicating greater overall efficiency. Results are shown in Table 8. Internal delivery looks to be the better solution in 15 cases and in 10 cases it is contracting-out. Overall average results favor internal delivery, except for the communications service.

Table No. 8: Composite Efficiency of Contracting: Multidimensional Evaluation (Maximum Combined Score = 100).

Service	Service delivery alternative	Number of inhabitants						Average
		less than 999	1000 – 4999	5000 – 9999	10000 – 19999	20000 – 49999	more than 50000	
Waste	internal form	100.00	96.73	100.00	100.00	74.55	(-)	94.26
	contracting	60.90	100.00	87.83	66.33	100.00	(-)	83.01
Public lighting	internal form	100.00	94.51	100.00	100.00	100.00	84.33	96.47
	contracting	95.56	100.00	90.68	71.60	90.24	100.00	91.35
Communications	internal form	52.80	100.00	100.00	95.40	84.67	99.03	88.65
	contracting	100.00	75.15	97.63	100.00	100.00	100.00	95.46
Public green areas	internal form	69.55	100.00	100.00	100.00	94.48	67.86	88.65
	contracting	100.00	68.98	48.62	97.51	100.00	100.00	85.85
Cemeteries	internal form	(-)	99.50	100.00	86.04	100.00	100.00	97.11
	contracting	(-)	100.00	94.37	100.00	79.34	91.73	93.09

Source: Original research is based on the data obtained from selected municipalities related to local service delivery in 2010.

The collected data demonstrate that contracting out in transitional conditions delivers less positive outcomes compared to the expectations in the existing literature which assumes standard market and social conditions. The direct supply by public organizations in transitional countries may in many cases be more efficient and of higher quality compared to outsourcing.

However, we need to be aware of several methodological problems connected with our research. The core problems are the reliability of the data, and the reliability of the research methods.

We are well aware of the limited reliability of data collected from municipalities. Their cost monitoring is not sophisticated. They do not use accrual accounting and so cannot know the real cost of service delivery. With internal service delivery, the reported service costs only cover direct costs and so are likely to be too low. In fact there is no full cost accounting at the local self-government level in Slovakia, and this devalues the cost data on internal service delivery.

A second data problem is the fact that some of the selected municipalities use a mix of internal and external production for service delivery. In such cases we asked for data about the dominant delivery form.

The methodological reliability issue is that the results could be sensitive to the assumed weights. Although we did not conduct a full sensitivity analysis, we have confidence in the experience of the expert panel, and the data from tables 6–8 clearly indicate that different weights would not change the results significantly. On average, internal production appears to be cheaper and to deliver services of comparable quality.

3.1.3 The way/system of deciding the contracting-out and selecting the supplier.

Data collected during our research also indicate the ***main barriers to successful contracting*** under transitional conditions. We briefly introduce three core issues—competition (reflecting the size of the failure in market formation), motivation (reflecting the size of the "preference error") and contract management skills.

Contracting out is expected to produce major efficiency gains because of competition in the service delivery market. Our data indicate that this potential is not fully realized because of two problems limiting competition. First, there are too few potential private suppliers. Second, even if competitive selection is mandated, it often does not happen. Table 9 illustrates the second problem, and in doing shows the limitations to the rule of law in this area.

Table No. 9: Methods of Selecting External Suppliers (%).

Procurement method used	2001	2005	2006	2008	2009	2010
Open procedure	16	17	27	32	17	43
Restricted procedure	5	0	5	3	14	5
Negotiated procedure	0	13	30	0	7	5
Price bid	0	0	0	25	4	23
Direct purchase	31	17	38	30	11	17
Municipality was not willing to provide information	48	55	–	25	66	7

Source: Original research is based on the data obtained from selected municipalities related to local service delivery in 2001 and 2010, and data gathered from results of research projects of Transparency International Slovakia is realized in 2006.

Direct purchase, which avoids a tendering process, is used relatively frequently. This situation is alarming. Many municipalities do not respect the public procurement law. Slovak law clearly states that the procuring entity must respect principles of economy, effectiveness and efficiency in the transparent use of public funds, and must ensure competition, based on the equality of tenderers. A related problem is that some municipalities, mainly in the largest size category, were unwilling to state

their procurement methods, despite being obliged to do so by the law on free access to information. We presume they illegally use direct awards.

A second related set of questions about barriers to implementing contracting-out is related to principal-agent problems. We would question whether at present the private sector is currently always ready to compete and cooperate with government. We also doubt that the public sector is consistently seeking transparency, accountability, and efficiency.

3.1.4 The quality of contract management

Together with low quality "ex-ante analysis" (see above), the absence of systemic contract management is one of the core purposes for failures of contracting (Hodge 2000; Sclar 2000; Brudney et al. 2005, Kamerman and Kahn 1989). The literature suggests that the following factors determine the success of contracting related to quality of contract management: the degree of competition in bidding for the contract (Savas 1987; Kettl 1993; Greene 2002; Hodge 2000); the quality of the ex-ante evaluation of the contractor/agent (Rehfuss 1989; Romzek and Johnston 2002); the clear definition of the contracted/outsourced service – contract specification (Rehfuss 1989) the quality of contract monitoring (Rehfuss 1989; Prager 1994; Seidenstat 1999; Brown and Potoski 2003; Hefetz and Warner 2004); sanctions (DeHoog 1990; Macneil, 1978); the experience of the public body/government/principal responsible for contracting/outsourcing with contract management (DeHoog 1990; Rehfuss 1989; Romzek and Johnston 2002); and the technical knowledge of the contracted service (Kettl 1993). More recent approaches to contracting stress relational contracting as a more flexible and cooperative approach to managing contractual relationships based on mutual trust, shared norms and values, and standards of behaviour. Such approaches also deal with communication and joint problem solving between principal and agent as determinants of contracting performance (DeHoog, 1990; Sclar, 2000; Macneil, 1978).

For the purposes of this analysis we used a representative sample of 141 municipalities, of varying sizes, from 2010.Given this theoretical background, and also having consulted local experts, we decided to use the following set of factors (determined by the Deplhi method) to investigate the quality of contract management on the level of Slovak municipalities: x_1 level of competitiveness of the award, x_2 selection criteria, x_3 frequency of contract monitoring, x_4 sanctions, x_5 method of payment to supplier/agent. All five factors have a qualitative character, thus we transformed them into quantitative data as follows (Table 10).

Table No. 10: Conversion to quantitative data (authors).

Factor	Description	Points
x1 – Level of competitiveness of the award	Open tender	100
	Restricted procedure	70
	Negotiated procedure	50
	Price quotation	30
	Direct award	0
x2 – Selection criteria	Best bid	100
	Lowest price	50
x3– Frequency of monitoring	Regular	100
	Irregular	50
	No monitoring	0
x4 – Contract sanctions	Cancellation of the contract	100
	Financial sanctions	70
	Right to request improvements	30
	Other	0
x5 – Method of payment to supplier	Performance payment	100
	Mixed performance and lump-sum payment	50
	Lump-sum payment	0

Source: own research.

Our quality of contract management analysis uses the primary data gathered in our own 2009 research on 131 Slovak municipalities. The findings are set out in Table 9 and are not very positive. The average contract management score is about 60 (out of 100). Better results are normally received for soft indicators, where evaluation is based on the subjective opinion/response from the staff involved.

The core problem, visible from our findings, is that despite the fact that the competition is the most important factor for success of externalization (as all authors argue), this contract management factor receives lowest marks.

Table No. 11: Quality of contract management for contracting local public services.

Service	Competitiveness	Ex-ante evaluation	Monitoring	Sanctions	Payment conditions
Waste	42.84	67.12	70.32	42.08	65.65
Public lighting	47.11	72.73	65.26	45.20	63.72
Local communications	50.12	64.40	64.13	43.50	74.15
Public green	58.89	66.39	54.72	46.81	75.90
Cemeteries	29.43	68.27	64.29	45.18	45.79
Average	45.68	67.78	63.74	44.55	65.04

Source: Original research is based on the data obtained from selected municipalities related to local service delivery in 2010.

The data obtained by our direct research indicate that the quality of contract management is limited. Better results are normally received for "soft" indicators, where evaluation is based on the subjective opinion/response from the staff involved. Critical level is achieved for main "hard" indicators, especially level of competitiveness.

3.2 Case 2 Co-creation – citizens participation

Hence we focus on the participation of different stakeholders in public service provision at the level of local self-governments and on different types of co-creation. The objective of this analysis is to identify different types of co-creation in social innovations at the local government level in Slovakia, with a focus on the fields of welfare and the environment. The research was conducted as part of the 'Learning from Innovation in Public Sector Environments' (LIPSE[90]) research project, studying the drivers and barriers to successful social innovation in the public sector. The study research methodology is determined by the project research methodology.

We used qualitative methods to analyze co-creation during innovation in public services provision. To develop an inventory of relevant practices in which either citizens or other stakeholders are involved, we conducted an extensive document analysis of relevant policy documents, databases, and websites. We also conducted more than ten expert interviews, leading to the compilation of ten case studies. There are five examples of co-creation in the welfare sector and five cases in the environmental sector, summarised in Table 12.

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Table No. 12: List of cases of co-creation at the local government level.

Case	Goal of co-created initiative	Main actors/stakeholders
1. Conciliation councils	Help citizens to solve any kind of conflicts, especially ethnic conflicts	Citizens, NGO PDCS, C.S. Mott Foundation, municipalities in given areas
2. Kojatice Social Housing	Provide social housing for Roma with a certain maintenance guarantee thanks to Roma co-financing and co-building	University students, Roma citizens, local self-government and its mayor, NGO ETP Slovakia
3. Godmothers	Provide material and non-material support to young mothers in social need for their inclusion in the society	NGO 'Sanca pre nechcených', SPP Foundation, VUB Foundation, Orange foundation, municipalities that decided to support the project
4. Electronic Guard	Improve lives of elderly disabled citizens with telecare and related assistive technologies	Involved local governments, private IT company YMS, private telecommunication company Orange
5. Martin Relaxation Path	Improved lives for elderly citizens by building an accessible public relaxation infrastructure – nature path	Municipality of Martin, several citizen initiatives (Joga v dennom živote, DIAMART – club of people with diabetes and the Martin Pensioners Club)
6. 'Green Patrol' in Bratislava	Increased citizen participation and responsibility for clean green areas, better quality urban environment	'Green Patrol' citizen initiative, municipality of Bratislava and its local parts, inhabitants of Bratislava
7. 'Green Patrol' Interactive Portal	Improve and maintain the quality of the urban environment, improve collaboration among citizens, participating organizations, and the city	'Green Patrol' citizen initiative, municipality Bratislava, citizens in the social network
8. Trash Out	Improve the physical environment and collaboration among all sectors	Involved local governments, environmental NGOs (Greenpeace, Let's do it, Enviweb cz, Emerald Planet, Priatelia zeme, Greenoffice sk), waste management companies, Ministry of Environment of the Slovak Republic and the environmental fund of the Slovak Republic
9. Mobile City	Facilitate citizen participation and improve the physical environment	Private company Datalan, a.s, municipalities in Bratislava self-governing region and their inhabitants
10. PrieStory	Complete low-cost physical infrastructure investment projects executed by volunteers living in the area, improve collaboration among sectors	Ekopolis Foundation, citizens, participating municipalities, CSOB bank, local companies (as sponsors providing additional funding)

Source: Nemec, J., Mikušová Meričková, B., Svidroňová, M. 2015a.

The purpose of our analysis was to create a list of eligible cases that can be compared to each other (cases within the public welfare policy sector and cases within the rural/urban regeneration policy sector). We followed three main selection criteria when identifying eligible cases:

1. *Citizens were involved as co-designers or initiators*: From a systematic review of the literature on co-creation and co-production within the public sector, we concluded that three different types of citizen involvement can be distinguished: 1) citizens as co-implementers, 2) citizens as co-designers, and 3) citizens as initiators. Since we are interested in co-creation during social innovation processes, we focused our research on the involvement of citizens as initiators and co-designers. Thus, within the selected cases, citizens were involved at least at the start of the co-created initiative.

2. *Cases are from the public welfare or rural/urban regeneration policy sectors*: We conducted our research in two different policy sectors: the welfare sector and the rural/urban regeneration sector (environment). Innovations within the welfare sector were innovations aimed at improvements within the social infrastructure, including innovations aimed at a specific target group (the elderly, juveniles, immigrants, etc.). Within the rural/urban regeneration sector, we focused on innovations within the physical infrastructure. In these cases, innovations are primarily aimed at improving the liveability of neighborhoods by innovations in for instance housing or the (re)decoration of public spaces. By 'urban regeneration', we mean (topographical) areas that have to deal with a changing population due to social and economic developments (e.g. a growing number of elderly citizens). *Possibility of specifying the outcomes of co-creation processes*: The kinds of outcomes co-creation processes have in social innovation are relatively unknown. In order to draw some conclusions about these outcomes, the selected cases needed to involve co-created initiatives that are no longer in their initial phase but have in fact delivered some results.

The list of cases in Table 12 suggests several interesting co-created innovation initiatives in Slovakia at the local government level.

3.2.1 The role of main actors in co-creative innovations

Based on an analysis of the investigated cases, we summarize the roles of the different participating actors (see Table 13). We capture their roles in three different stages based on the three different types of co-creation defined above: Initiation (marked as 1 in the table), Design (2), and Implementation (3).

Table No. 13: The role of different actors in co-creation based initiatives in different stages of the co-creation.

Role / Project	Citizen initiative(s) 1	2	3	Formalized NGOs 1	2	3	Private sector 1	2	3	Local government 1	2	3
Conciliation councils	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	No	No	Partly
Kojatice	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Partly	Partly	Yes
Godmothers	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No	Partly
Electronic Guard	No	Yes	No	No	No	No	Yes	Yes	Yes	No	Yes	Partly
Martin Relaxation Path	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Green Patrol BA	Yes	Yes	Yes	No	No	No	No	No	No	No	No	Partly
GP Interactive Portal	Yes	Yes	Yes	No	No	No	No	No	No	No	No	Partly
Trash Out	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Partly
City Mobility	No	No	Partly	No	No	No	Yes	Yes	Yes	No	Yes	Partly
PrieStory	No	Yes	Yes	Yes	Yes	Yes	No	No	Partly	Partly	No	Partly

Source: Nemec, J., Mikušová Meričková, B., Svidroňová, M. 2015b.

The answer 'partly' in the table means that of the many local governments contacted, only a few participated in the co-creation process, or that their involvement during the project's completion phase changed from positive to indifferent or negative. Data collected in our comprehensive research study indicates that local governments usually do not initiate co-creation and are not very active in the design and implementation phases. We created Figure 1 to more clearly illustrate this.

Figure No. 1: Participation of local governments in co-creation in Slovakia.
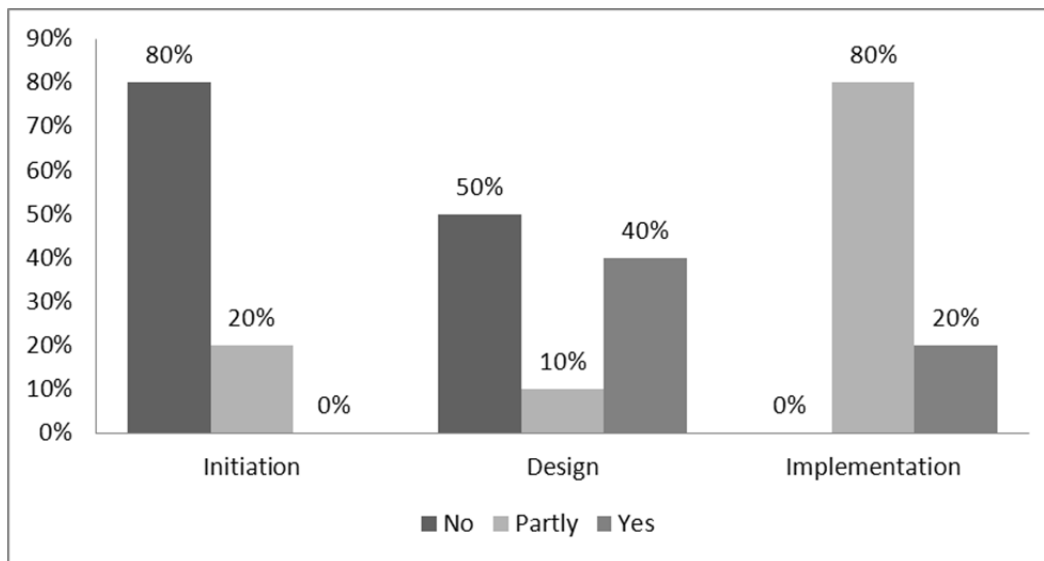
Source: authors.

Figure 1 demonstrates that from the list of analyzed cases, none of the local governments fully participated in the initiation of co-creation; only two municipalities were even partly involved. In the design stage, the situation is similar although slightly better; at least half of the municipalities participated in the co-design of an innovative public service solution either fully (four municipalities) or partly (one municipality). In the implementation of social innovation, two local governments participated fully and eight were partly involved.

Interviews with representatives of the involved actors/stakeholders in the cases revealed a problem in that 'participating' municipalities usually stated that they were not aware of the project we were investigating, even though we found information about their participation in the documents or on the websites.

We feel the core problem lies in the very limited interest of municipalities in participating in activities proposed and designed by other partners/actors. The actors who initiate co-creation in Slovakia can be divided into two types: the private sector and formal or informal third-sector structures (NGOs or citizens). NGOs, as formalized structures of citizens, have a rather strong position in co-created initiatives; further research should be done in this area (Kuvikova & Vacekova, 2009, Nemec in Osborne, 2008; Svidroňová & Vaceková, 2012). The private sector is active especially in the area of information technologies, as implementation of co-created initiatives in that field also improves their sales and profit. Despite existing research from other countries (Bekkers et al, 2013) indicating that, among other factors, local governments are expected to use the quality of services as a source of competitive advantage in order to be attractive, this does not work in Slovakia.

4. Problems solutions and recommendations for implementation in other V4 countries

prof. Ing. Beáta Mikušová Meričková, PhD. (beata.mikusovamerickova@umb.sk)

Ing. Mária Murray Svidroňová, PhD. (maria.murraysvidronova@umb.sk)

Katedra verejnej ekonmiky a regionálneho rozvoja

Ekonomická fakulta Univerzity Mateja Bela v Banskej Bystrici

Presented outcomes demonstrate more problems in implemented public administration reforms, which should be solved by:

(1) Implementation of accrual accounting in the public sector;

(2) Implementation of regular ex-ante and ex-post testing of all existing forms and systems of public service delivery, including systems for testing supporting services in public organizations, beginning with a re-evaluation of all current delivery decisions;

(3) Development of program financing approaches, creating an effective environment for a real public-private civil sector mix;

(4) Implementation of cost accounting and management in public administration;

(5) Improving public procurement legislation to cover contracting processes and increase the chance that non-profit organizations will bid for public programmed money;

(6) Systematic and effective training and re-training of public servants;

(7) Improving openness, transparency and communication between citizens and public administrators; and

(8) Conducting a total overhaul of public sector control and auditing procedures, including the introduction of performance and outcomes control, and ex ante auditing for efficiency and effectiveness.

Formally, some of these reforms may already exist, for example ex-ante auditing or accrual accounting. But the challenge is to introduce multiple changes as quickly as possible, and especially to convert formal structures into effective working mechanisms.

(9) Innovation in the public sector implementation - in relation to public services delivery, innovation can be understood as developing public services to better meet public needs by modifying the status of entities/actors in the system of public service provision. One of the central elements in the concept of public service innovation is the active participation of citizens and grassroots organizations in order to produce social outcomes that really matter.

The participation of citizens, as the final consumers of public services, plays a very important role in the innovation process. Innovation aims to create public services following the needs of its consumers,

the citizens. Therefore the direct participation of citizens in the innovation process and in introducing the innovation into practice is of great importance in terms of the success of the innovation process (Borins, 2008; Fuglsang, 2008; Von Hippel, 2007). From this point of view, we can speak of co-creation itself as a public service innovation or as a social innovation.

Co-creation is regarded as a promising concept against austerity, ageing, and the eroding legitimacy of public institutions (Pestoff, 2014). There are three types of co-creation (Von Hippel, 2007):

1. Co-initiation, in which citizens act as initiators,
2. Co-design, in which citizens are invited to co-design, and
3. Co-implementation, in which citizens are invited to implement public services (instead of public organizations).

According to Sørensen and Torfing (2011), public innovation takes place through collaboration with different stakeholders. As a result, innovation is always relative to its context. This consists of elements such as 1) the political and administrative context, 2) the legal culture within the public sector, 3) state governance and civil service tradition, and 4) resource allocation and resource dependency (Bekkers et al, 2013).

Bailey (1999) in theories of decentralization stated that the local governments are closer to the citizens and thus they are expected to serve local needs. This should mean that in the area of social innovations, local self-governments are the level at which a lot of co-creative innovations occur (Hsieh & Fu, 2014).

Conclusion

The most important public administration reforms in Slovakia which should bring more efficient public administration and quality of public services, were decentralization of public administration, fiscal decentralization, professionalization of public administration and the creation of the Civil Service Office, informatization of public administration and reform of public administration "ESO".

Decentralization of public administration in terms of independent functioning and cooperating state and local governments did not bring greater efficiency nor significant improvement of public services provided to citizens. The reason can consist in the problems of **fiscal decentralization:** relativity all government level autonomy, public expenditure effectiveness, efficient public control, citizen participation and high territory defragmentation.

The civil service reform in Slovakia was done under the pressure from the EU but currently a reversal can be observed and most of the basic principles do not work.

Informatization of public administration in Slovakia does not respect the basic principle - minimizing the administrative burden of public services consumption for citizens and creates the

content and quality as close as possible to the citizens' needs. Electronization is constrained to existing public administration processes and/or public services with no respect to citizens' need.

We demonstrate the mentioned problems in two case studies – 1. Public service delivery at the local self-government level and 2. Co-creation – citizens' participation. In both cases we analyze the tools of New Public Management as public administration reform which have the potential to improve efficiency as long as certain conditions are met. However socio-economic preconditions for successful implementation of these tools are insufficiently mature in Slovak republic. It is also because of described problems of realized public administration reforms.

As Vesely (2013) states, accountability and responsibility are not very well developed characteristics of good governance at any level of government in Central and Eastern Europe. This fact, combined with lingering habits from the communist era, may explain the behavior of government in Slovakia. The values and principles of politicians and bureaucrats are still influenced by the socialist understanding of the state at every level, national and local, as a 'ruler' and not as a 'servant' (see also Bunčak et al, 2008).

For many politicians and bureaucrats public administration reforms and public services innovation improving efficiency and quality means a burden, especially if it reveals some existing flaws in the system in which governments function and in the ways they are organized. This seems to be the most important barrier, accounting for the failed public administration reforms processes at the all government level in Slovakia.

Innovations in public administration in terms of developing public services to better meet public needs by modifying the status of entities/actors in the system of public service provision can be mentioned as best practices and recommendations for implementation. The emphasis is on the citizens and on building a civil society.

In Slovakia, as we demonstrate in both case studies, the limited will of local governments to innovate service delivery modes in context of public administration reforms is also connected with a lack of responsibility and accountability. The dominant rather conservative approach is not a consequence of the legal and financial status of municipalities in the country: in Slovakia the local self-government law almost fully respects all the principles of the European Charter for Local Self-Government, and municipalities are legally and financially viable institutions (Flaška et al., 2014).

In this situation, in which the type of governance and the governance traditions negatively influence the public administration reform process, short-term measures have very limited chances of changing the limited will of government to develop and support innovation in public sector. A possible solution seems to be in long-term changes based on changes in the roles of participating actors. Citizens should change from passive consumers of public services (in whatever quality and/or quantity) to active

subjects of local and national democracy, and politicians and bureaucrats need to change from 'rulers' to real policy makers and service delivery institutions.

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Public administration reforms in Visegrad countries: "two steps forward – one step back" processes (?)

Juraj Nemec, David Špaček, Vladimír Tiutiuriukov

Four comprehensive chapters described the history of public administration in Visegrad countries from very early phases till today. The focus is, for sure, the period after 1989 which started in all four countries with democratization, creation of necessary new structures and mechanisms, but continued with several important differences. In this chapter we try to summarize findings, starting with historical point of view and using selected "sectoral" views afterwards and to draft some lessons learned.

1. Public administration reforms in Visegrad countries after 1989: general overview

The starting point for all the countries in 1989 was similar – the need to create the foundations for a new democratic model of public administration in all four countries. Changes in this period were intended to overcome and eliminate the shortcomings of centralized control of state administration. This period was characterized by the creation of a new set of state institutions corresponding to the requirements of liberal democratic principles. The political, legislative, and economic changes also required transformation regarding the perception of its role, activities of executive apparatus and institutions, nature and quality of public administration employees, and effectiveness of their work.

During certain period after first dramatic changes realized especially in 1990-1991 in all the countries the focus was on fine-tuning new structures and mechanisms, and new major changes came only significantly later – differently for each country. In the following text we describe country by country what happened in next phases of PARs.

1.1 Czech Republic

According to the authors of the Czech chapter the period from 2003 up to now (2015) represents the second phase of reforming public administration in the country. At its beginning the accession of the Czech Republic to the European Union was one of the most important events. The Czech Republic, as the candidate country had to consider the existence of the EUROPEAN ADMINISTRATIVE SPACE, as a specific partner part of EC Law, already in the course of their preparation for accession to the European Union.

After first necessary changes, the country also started to prepare consecutive reforms documents with the aim to improve the performance of the public administration system.

In 2004, a material entitled "Process and main trends of the central public administration reform and modernization" was prepared. The objective of this reform was to ensure that central administrative

authorities can better promote enforcement of legal regulations and provide their services more efficiently. One of the main problems of the implementation of this central public administration reform was the low awareness about the commencement thereof. This was likely caused by lack of broad debate and publicity prior to its adoption by the Government (in March 2004) and resulted in the delay in the implementation of certain reform measures (also in connection with the Government resigning mid-2004).

Updated specific objectives and processes of PAR were defined in the document "Proposal for the process of further implementation of the central public administration reform and modernization in the period of 2005 – 2010".

Later on the reforms' focus switched from dominant central government level to broaden tasks. The core document representing this is the strategy "Effective public administration and friendly public services: Strategy of implementing Smart Administration in the period of 2007 – 2015". The strategy was prepared by the Ministry of the Interior of the Czech Republic and it was discussed and adopted by the Czech Government in the form of Government Resolution. This strategy focused on rationalizing ongoing public administration processes by analyzing existing structures (so-called reengineering) and by examining and describing various competences and functions/roles (redesigning). The implementation of e-Government was supposed to serve as the means for achieving the strategy goals and foreseen outcomes.

A specific path – as one of outputs of this strategy - was the document "Methodology of the procedural modeling of public administration agendas", focusing on better internal performance but also better administrative services. According to the methodology, public administration bodies could and should model agendas associated with their performance, both on the national and the delegated or self-government level. Another step in the process was the project entitled "Promoting standards for the performance of public administration agendas". It will result in standards for the performance/execution of individual public administration agendas. These standards will then serve as the so-called best practices. In this path in July 2015, the Government adopted the "List of priority agendas" and accepted the "Plan for further promotion of procedural modeling and standardization of public administration agendas".

In 2011, the Ministry of the Interior of the Czech Republic prepared an analytical document on the state and problems of public administration – at the level of national and local administration. The "Analysis of the current state of public administration" (2011) not only focuses on the key problems in this area, but also provides alternative solutions to such problems.

In 2012, the "Analysis of the current state of public administration" was followed by another material: "Concept of finalizing the public administration reform". This document targets three main areas, specifically:

- Public administration modernization;
- Territorial public administration;
- Funding the performance of public administration as part of delegated sphere of authority.

Other recent documents are the "Smart Administration Strategy" (in 2015) and the "Strategic framework for the public administration development in the Czech Republic for the period of 2014 – 2020" (2014). The document was prepared by the Ministry of the Interior of the Czech Republic.

After long term and heavy criticism from abroad and also internally, with the aim to promote the effectiveness and professionalism of the public administration performance the Civil Service Act was adopted (which superseded the original Act no. 218/2012 Coll., on the Service of civil servants in the administration and on the remuneration of these employees and other employees of the administration). The new Act came into existence on the basis of an amendment in discussing the draft amendment to Act of 2002. However, following an agreement of the coalition and the opposition, the new Act was ultimately adopted. The Chamber of Deputies of the Parliament of the Czech Republic even had to override a Presidential veto. The given Act came into force on 1 January 2015.

1.2 Hungary

After first changes, the next major epoch of central state administrative development can be defined as starting in 1998 and lasting until 2010. Three parliamentary cycles comprised by this period differ in many important respects still share two important features.

The first such fundamental feature is the predominance of the accession to the European Union, consisting of both the accession preparations and the actual intense legal harmonization characterizing the post-accession years. This Europeanization of the central state administration – that is the (at least formal) compliance with EU laws, regulations, norms, and actual or perceived expectations – stands out as a central element of reforms throughout the 1998-2010 years.

The second fundamental common feature of these years is the predominance of a change pattern of the politico-administrative landscape frequently termed as (albeit not de jure, but de facto) a move towards a presidential system. The most important constituting elements of this process are strengthening of the role of the Prime Minister within the Cabinet, weakening the role of neo-corporatist structures (trade unions, consultative bodies), increased space for maneuvers for economic policy, strengthening the position of the Cabinet and the executive branch strengthens vis-a-vis the legislative branch and the decrease of the importance of Cabinet meetings.

The recent period started with inauguration of the second Orbán cabinet in Spring 2010. New government initiated a long series of broad-scope and radical transformation of every segments of the state machinery and government operations. Already in a speech held shortly after the election victory Orbán called the elections a "revolution of the ballot boxes" and this message – repeated in similar

forms on many occasions – made it clear that the scope of the envisioned changes is unprecedented. According to both supporters and critics the four years spent in government thereafter lived up to these ambitions indeed: revolutionary rhetoric was accompanied with a wholesale redesign of Hungary's politico-administrative institutions, most of its core policies, and the very role played by the state in government and society.

The most spectacular set of changes – thus reaching the 'detection limit' of international news media to the largest extent – are related to the formal (re)design of political institutions and of the – partly informal – ways they operate. One example for this is the successive weakening of the Constitutional Court's powers in response to the Court's negative decisions on government policies. The other one is the radical weakening of the role of Parliamentary Ombudsmen. Administrative measures and procedural modifications were taken threatening the independence of the judiciary. A broad-scope reform of the election system was initiated, entering into force immediately from the next elections, strongly favoring the incumbent party (and even including some elements of gerrymandering). Media legislation and the creation of a Media Supervisory Authority focused on constraining freedom of speech and regulating media contents in favor of the government.

1.3 Poland

The second wave of changes in the public administration system in Poland started some time in 1996. First major reforms of the internal structures of governmental administration have been introduced in January 1997 on the basis of legislation from 1996. In addition, there were changes in the structure of the administration as a result of the formation of regulatory agencies responsible for regulating selected branches of the economy. The process of deconcentrating some of the administrative institutions began. At the same time a large part of it remained significantly fragmented into various institutions with a little potential to cooperate and create a synergy effect.

Important step was the 1997 Civil Service Act that created new framework for the public administration in Poland. Formal separation of politically neutral civil service corps and the political class occurred.

The very typical feature of the following years of PAR in Poland is the fact that for many core areas each ruling party was changing regulations (and not with the core aim to improve functionality of the public administration system). This trend can be very well characterized by the example of the civil service legislation. After 1997 the Civil Service Act did not last long in its original shape. The new government which had taken office in 1997 decided to put across "their law", which entered into force on 1 July 1999. It did not introduce significant structural changes, but allowed to halt hiring decisions being taken by the previous government. The next government (2001-2005) also amended the Civil Service Act of 1998, transitional provisions were introduced, which allowed employing candidates from outside the civil service corps for senior positions in the civil service, without organizing a

competitive procedure, based on fixed-term contracts. The process of politicization of the administration grew stronger. Later on the Parliament adopted three new laws on 10 March 2006 and 24 August 2006, which allowed the government to employ in the central (government) administration employees from the other types of public offices, which are not included in the government administration. In 2015 parliamentary and presidential elections were once again won by the Law and Justice party, this time they can govern on their own. Within a few weeks of its reign the party introduced amendments to the law on civil service (at the very end of 2015.).

The separate story represents the self-government administration. The basic fact is that the Polish state has a much decentralized structures. There are three levels of self-government with extremely fragmented competences. It has been established finally in 1999 and later on no government initiated to rationalize a system of competences. The government which introduced this level of decentralization has decided to transfer a production of majority of public services from a central level to a local one, without funding them in a proportional way. The limited resource´s limit is exaggerated by the factors like a high degree of politicization of local administration, inadequate skills and structural inconsistencies. Most scholars claim that intense fragmentation seems to be a main feature of the public administration and as a result of that a coordination issue has emerged as a leading problem.

1.4 Slovakia

After transition phase Slovak reforms represent almost permanent process of incremental and few real changes. The Law on the territorial and administrative structure of the Slovak Republic and the Law on organization of the local state administration were adopted in 1996. They created new territorial structure of the state with 8 regions and 79 districts, and new -institutions of local general state administration - regional and district offices, that deal with policy implementation in 32 policy areas (switch to the system of general state administration).

The next phase was the "decentralization" reforms phase 2000-2005. The main idea of this period was to believe that decentralization would solve all inefficiencies in the public administration system. In a very (too) short time all expected basic legislation was approved by the Parliament: Civil Service Code, Public Service Code, law on creation of territorial self-governments, law on elections of territorial self-governments, law on transfer of competencies of the state to the regional and local self-governments, amendment of the law on municipalities, amendment of the law on municipal property, the law on the property of territorial authorities, amendment of the law on budgetary rules and the law on financial control and audit.

The important Law on Transfer of Competencies defined the set of competencies to be transferred to regional and local self-governments. According to it a really large number of competencies has been transferred in 2001 - 2002. The reform transferred massive set of responsibilities to local and regional

self-governments, but did not introduce other crucial elements of decentralization, mainly real fiscal decentralization - new responsibilities were financed from grants and did not bring incomes of self-governments. This step was reflected by the "Project of further public administration decentralization for 2003-2006", focusing on two main aspects - fiscal decentralization and changes of state administration system.

Simultaneously in this period a series of acts implemented necessary changes connected with the admission of the Slovak Republic to the EU in 2004.

After 2005 not much has changed and the next reforms wave is connected with recent PM Fico governments. In their Program Declaration for 2012 through 2016, the Slovak Government committed themselves to adopt measures to make public administration performance more efficient and advanced. The ESO Programme (Efficient, Reliable and Open state administration) was approved by the Government of the SR in April 2012. However, despite of the name of the reforms programme, its core focus was the switch from specialized deconcentrated state administration into a general one, and more important changes, like the Establishment of one-stop shops 2014 – 2015 or optimalization of administrative processes and administrative structures (including e-Government development) are only partly realized.

The best (externally) evaluated aspect of PAR in Slovakia is decentralization initiatives – with start in 1989 and major reforms in 2000-2005 period. Decentralization produced independent functioning local governments, and is very positively highly evaluated by international organizations. However, our data indicate that such level freedom of self-governments is not significantly connected with improved efficiency or quality of public services provided to citizens.

2. Public administration reforms in Visegrad countries: "sectoral issues"

In this part we focus on selected "sectoral" issues, describing the trends and developments in the most important subsectors of the PAR in Visegrad area.

2.1 Civil service reforms

Civil service developments in Visegrad region represent a very interesting story, well characterizing specific political situation here.

From the point of **timing** the only country adopting specific civil service law in the first reform period (soon after 1990) was Hungary - Law XXIII/1992 on the legal status of civil servants. The new law included a detailed legal regulation of each systemic element typically found in merit based civil service systems elsewhere. However in the current practice the merit principle was present only seemingly.

In Poland the government which had taken office at the end of 1993 introduced in 1997 the Civil Service Act and that created new framework for the public administration in Poland. Formal separation of politically neutral civil service corps and the political class occurred. So the civil service was meant to be politically neutral by nature.

The civil service reform in Slovakia was done under the pressure from the EU – as the part of accession process the Act on Civil Service was adopted in 2001 and stipulated for the first time the legal relations in the Slovak civil service. The Act provided the legal framework for the civil service and was aimed to establish professional, impartial, politically neutral, efficient and flexible civil service. The Act made a clear distinction between political (minister, state secretary) and apolitical posts (head of office, directors general of the sections, directors of departments and other civil servants at ministries). The Civil Service Office was set up and was responsible for the implementation of the Act (however, abolished in June 2006).

The most interesting case is the Czech Republic. Formally the Civil Service Act was adopted in 2002, with force from 2004. However, the force has been postponed several times, lasted to 1 January 2015 – so in reality, the country entered EU without having any formal civil service regulation. The new Civil Service Act was adopted only in 2014 and came into force on 1 January 2015.

The second interesting issue is **frequent amendments** of the civil service law (or significant changes of way how it is implemented). We use the example of two countries to document this issue.

Hungary adapted on 1 January 2002 a modified Law on Civil Service. It was again amended from 2006 - with the appointment of the new state secretary for civil service, declared policy goals changed significantly. Particularly so is the case with the new system of selection: albeit it exposes a number of problems, this was the first attempt to introduce some sort of systematic and uniform selection procedure in the civil service. The radical reshaping of state and government institutions after 2010 did not leave the civil service system unaffected either. The Law on Civil Service, having served, albeit modified very frequently, as the basic framework of the civil service was replaced in 2011 by an entirely new regulatory framework. The radical redesign of the civil service had started already before the adoption of the 2011 Law. Immediately after its inauguration in 2010 the new parliament modified the civil service law so that it became possible to fire civil servants without any justification. Moreover, the period of notice has been substantially reduced to two months. These new elements of regulation were annulled by the Constitutional Court, but its decision entered into power only six months later, leaving another half year for the government to implement removal of unwanted civil servants. The new law extended political control over civil servants by the new system of recruitment and promotion.

The situation in Poland was very similar - from 1997 on each ruling party changed the civil service regulations, although the changes related mainly to the way of filling senior positions in the civil

service. Those in power wanted to make sure their trusted people will be recruited for senior posts. "Next" Civil Service Law entered into force on 1 July 1999. The next government (2001-2005) also amended the Civil Service Act of 1998. Later on the Parliament adopted three new laws on 10 March 2006 and 24 August 2006. In 2015 parliamentary and presidential elections were once again won by the Law and Justice party, this time they can govern on their own. Within a few weeks of its reign the party introduced amendments to the law on civil service (at the very end of 2015.).

In all countries this lack of legislative stability undermines the principle of the existence of professional and politically independent civil service. The clear evidence on this is the frequent turn-over at higher posts of the civil service. For example in Poland all directors now hold their positions for a short time. The term of office averaged less than 2.5 years on the director's position (with the average period of employment for example at the Ministry of Health before the appointment to the Director's post only 1,7 years). Significant rotation is also visible in the executive agencies (which should be in theory politically independent). For example in the National Health Fund in some years the president was appointed and dismissed twice during the year (2003, 2004). The chairman working since 2009 has been the seventh person in this position since 2003.

2.2 Agencification

One common cluster of structural changes is the creation of "central agencies with national competences". Few of them were established already in the first phase of transformation. For example in Hungary in 1992 the government adopted Government Decree on the principles of regulating central executive agencies' legal status and Government Decree on the supervision and control of central executive agencies. The new regulatory framework created three types of central executive agencies: (i) agencies operating under the Cabinet, (ii) central executive agencies supervised by a ministry and third, more amorphous type of central executive agencies frequently not even having a separate legal entity.

The main wave of agencification is connected with the EU accession – to reflect the needs of new legislation many new regulatory or service delivery agencies were created in the region (may be with Slovakia as the leader, because of liberal/neoliberal polices of ruling right wing government coalition). However, for example Hungary created the category of an autonomous regulatory agency only after 2010.

The trends after 2005 are not uniform. In Hungary we can observe a sharp turn in the trends describing central executive agencies' proliferation and autonomy. Re-absorption of previously outsourced agencies into their parent ministry, agency mergers and a decreasing level of structural autonomy with regards to remaining agencies were the most important elements of the U-turn of the agencification. Compared to this, Slovakia (despite of left wing ruling party in power from most of after 2006 period) did not change – formally much – the size of agencification remains stable.

What is visible for all countries is the strife to strengthen political control over existing agencies during recent years. The formal purpose – as politician argue – is in many cases the perceived need to cope with problems created by financial crisis, which requires, among others, centralization of power.

2.3 External actors and pressures

During the first phase of reforming, Visegrad countries received a lot of help from many different donors. This phase was dominantly supported, and also supervised by SIGMA, OECD structured and financed by the PHARE programme. Other international donors were also very active during this period, such as the World Bank, the International Monetary Fund, and country specific "donors". Such help was necessary because of the shortage of human and financial resources, the lack of experience and the urgency for solutions. On the other hand, such non-coordinated support delivered also certain problems, like the uncoordinated/inconsistent nature of technical assistance which, coupled with donors' strong incentives to show a strong presence in the recipient countries, resulted in a "consultant crowding out"; the frequent irrelevance of Western "international/European best practice" accompanied by an inadequate familiarity with the locality and an approach "oriented more to advocacy than to consultancy" and also strikingly high operating and overhead costs paid for consultancies of the donor country, seriously decreasing programme efficiency and creating an image of donors "paying back money for themselves".

However, when the accession to the EU started to be realistic perspective, EU also started to play the role in the main external actor, influencing the PAR in Visegrad area.

Before accession two core lines of EU support are visible - PHARE financed projects and continuing SIGMA - OECD presence. External help promoted the "Europeanization" of the public administration system – that is, the (at least formal) compliance with EU laws, regulations, norms, and actual or perceived expectations. Although there were few, if any, specific and compulsory operational or structural requirements of the EU towards Member States' central administrations, the quality and level of administrative functioning ensuring the implementation of EU regulations and policies was of high concern.

After transition the main external source of funding PARs in Visegrad region is the system of EU funds. Because after accession the EU pressure for changes almost disappeared, and reforming public administration became a more "voluntary" and nationally motivated process, the approaches of Visegrad countries to PAR after 2004 are not uniform, as visible from the text above. One of the reasons for such a particularity might be the fact that EU structural fund allocations for 2007–2013 were made only for the purpose of improved administrative capacity and public administration efficiency, thus complex reform measures were difficult to be finance from external resources.

2.4 Politicization: zigzag reforms and reforms for reforms as one of its results

All national studies indicate that one of very typical features of public administration and its reforming in Visegrad regions is over-politicization. This trend has several "realization forms".

The issue of attempts to politicize the civil service, instead of guaranteeing its stability, neutrality and professionalism was discussed above.

The second dimension is "return" to centralization, very well visible for few years in Hungary and recently also in Poland. As the Hungarian chapter documents, already in 1998 government started with some level of centralizing and extending of political control in the public administration system. After the inauguration of the second Orbán cabinet in Spring 2010 the new government initiated a long series of broad-scope and radical transformation of every segments of the state machinery and government operations – according to some evaluations, these changes undermine main principles of a democratic society. In June 2016 the European Commission started to investigate Poland – the core issue are changes limiting the functionality of the Constitutional Court.

We mention also third (probably not last) issue from this category. As visible from the country chapters, and also from previous parts of this summary chapter, reforms in Visegrad countries cannot be characterized as evidence based. Two expressions can be used from his point of view:

- "reforms for reforms": to show necessary level of activity to citizen, almost all new ministers (governments) start new reforms. However, this cannot work – if reform´s content is changed every four or five years, with new politicians coming into the power, the chance for positive outcomes and impacts is rather limited.
- "zigzag" reforms: the Slovak case is excellent example of such trend. At the level of state administration, the whole 1989 - 2016 period is marked by unsystematic changes in the management from specialized to general and vice versa. These changes accompanied by the territorial changes did bring neither greater efficiency of its function nor significant improvement of public services provided to citizens. The way, how administrative system has been changed is described in the Table 1.

Table No. 1: Zigzag "administrative"reforms in Slovakia.

Year	Change
1990	Specialised deconcentrated state administration system established New administrative structure established (district and sub-district offices)
1996	General deconcentrated state administration system established New administrative structure established (regions and districts)
2004	Specialised deconcentrated state administration system established

	New administrative structure established (district offices abolished)
2007	New administrative structure established (regional offices abolished)
2014	General deconcentrated state administration system established
	New administrative structure established (district offices re-established)

Source: own construction.

2.5 Self-government

Already in 1990 all Visegrad countries created the base for independent local self-government. However, the situation today is different – as the country chapters and also monitoring reports prepared by the Council of Europe clearly document.

According to many experts, the "most decentralised" Visegrad country is Slovakia. However, as two case studies in the Slovak chapter show, this decentralisation does not deliver "perfectly" from the point of view of local economy and local democracy. The very opposite case is Hungary – with Orbán government subnational structures becoming strongly centralized. Almost all functions and facilities of elected county self-governments (most importantly, those related to the operation of middle-tier public health, education and social services) were transferred to the new County Government Offices. In a next stage of reform elected local self-governments' scope of duties and competencies (many important functions in the field of operating secondary education and health care facilities) were dramatically reduced by transferring them to the newly created District Government Offices. These changes were directly criticized by the Council of Europe (Congress of Local and Regional Authorities) monitoring report 2013:

- "there is a very strong recentralization of powers, which has led to the considerable reduction of competences previously assigned to local authorities;
- the principle of the financial autonomy of local authorities is not respected;
- the principle of local self-government is not complied with due to the pooling at the supra-communal level (district) competences of municipalities of less than 2000 inhabitants, which is implemented through an administrative structure, is composed of civil servants from the State;
- there is no real consultation in practice, but only a formal one, between the government and the local authorities, in particular because of unreasonable deadlines;
- there is no effective legal remedy which fully guarantees the protection of local self-government, with a genuine and extended right of local authorities to lodge a complaint with the domestic courts in order to secure the free exercise of their powers and respect for such principles of local self-government".

From the point of regional self-government – this level was established as the part of an accession process in all countries (the existence of regional level is one of the pre-conditions for the use of EU funds). However, at least Czech and Slovak cases show that the creation of regions was politicized (see above). In both countries regions are not NUTS II, but NUTS III level and specific intermediary structures have to be created to manage EU funds. The Slovak report also states that the establishment of 8 regions disrupted the natural regional differentiation of Slovakia. Instead of establishing economically homogenous units, heterogeneous ones were created, which had the negative effects on the internal integrity of natural Slovak regions.

For both levels of self-government national reports indicate common malfunction - relativity of the lower levels of government autonomy, because self-government own revenues are insufficient to finance its own responsibilities without central transfers - the amount of money dependent on the arbitrariness of the state. Financial autonomy of municipalities is not absolute even in the case of local taxes in all countries, despite the fact that the municipality determines which entities have to pay tax and in what amount (in some countries regions do not have their "own" taxes). The Polish report for example stresses that the government which introduced the next level of decentralization has decided to transfer a production of majority of public services from a central level to a local one, without funding them in a proportional way.

Decentralization is supported by the theory and by major political players (especially Council of Europe), based on the subsidiarity principle - local governments that are closer to the citizens should be able to more accurately identify and respond to the preferences of citizens and thus improve the effectiveness of public funds spending and increase citizen satisfaction with the quality of service. They also have the best capacity to activate citizens for participation in decision-making and service production.

Relativity of above mentioned benefits of decentralization is significantly limited in all four countries because of the high fragmentation of the territory - high number of self-governing units with small populations. In Poland there are three levels of self-government with extremely fragmented competences. The common issue for the Czech Republic and Slovakia is the high number of small municipalities with population of up to 500. In the Czech Republic this category represents 56% of all municipalities; however, only 7.9% of the total population, whereas these municipalities occupy more than 1/3 of the total area of the Czech Republic. Therefore, it is not surprising that these municipalities have problems with the performance of public administration as well as their self-governing activities and funding.

The issue of small municipalities is exaggerated in Slovakia by the fact that all municipalities received the same scale of delegated responsibilities – compared to Slovakia in the Czech Republic there exist three categories of municipalities and only "highest" one has the right to execute more sophisticated

delegated responsibilities. This means that in the Slovak conditions the village with 50 inhabitants delivers (is expected to deliver) functions of the building office, school office etc. This "gap" is only partly reflected by voluntary co-operation of municipalities, not sufficiently promoted and supported by the state.

2.6 Administrative services and service delivery

Country reports provide interesting evidence also about the approaches of the governments to reduce the "red tape", to decrease bureaucracy (bureaucratic burdens) and to deliver effective and qualitative public services.

It seems that central support to quality initiatives is "best" developed in the Czech Republic. The National Quality Policy is a comprehensive program that covers methods and tools aimed at improving the quality of national economy and public administration. The Quality Council of the Czech Republic, supervised by the Ministry of Industry and Trade of the Czech Republic, is the competitive body for the programme (the Public Administration Quality specialized section is part of this structure). The annual National Quality Award is organised, since 2006, the National Quality Awards are presented for both the business sector and the public sector.

More reports deal with the need to reduce of administrative burden in order to promote better business environment and to simplify the life of citizen. Several core instruments are mentioned by the country reports – as Regulatory Impact Assessment (RIA), One Stop Shops or e-Government.

Formally all governments introduced systems of RIA – but as for example the Polish report shows, RIA does not work well. The coalition government of Civic Platform and Polish Peasant Party (2007-2015) introduced a regulatory test as a new stage of law making before a bill will be submitted to the Parliament. This initiative aimed at imposing a pressure on civil servants to produce a better quality bills. The result has been rather mediocre for many reasons, especially as a result that the civil servants had many troubles with professional knowledge, including producing evidence on policy proposals. Academic articles (as Staronova, 2010) confirm that issue.

The Czech Republic introduced several plans and actions how to decrease the administrative burden. In 2005, the Government prepared the "Action plan for reducing administrative burden for businesses" including the "Methodology for assessing the extent and origin of administrative burden for businesses". The Standard Cost Model (SCM) is used to analyze and assess the administrative burden. Next analysis of administrative burden was prepared and approved in 2007. A year later, the "Plan for reducing the administrative burden for businesses by 2010" was also approved. In 2010, the plan was extended to 2012. The reduction of administrative burden for citizens is promoted for example by various activities under the strategy "Effective public administration and friendly public services: Strategy of implementing Smart Administration in the period of 2007 – 2015". However, results of all such activities are disputable – the example can be one of main tools - Czech Points. The development

of the aforementioned systems was significantly delayed, thereby resulting in delayed launch of services for end users.

E-Government development is the focus of all Visegrad governments. For example the "National Policy in Electronic Communications – Digital Czech Republic v.2.0", journey to digital electronization in the period of 2013-2020, was adopted by the Czech government in 2013, or ESO reform in Slovakia. However, with the exception of Poland, the e-Government level in the Visegrad Four (V4) countries is significantly below the EU average. This is demonstrated by the DESI index (Digital Economy and Society Index). It is also pointed out in the European Commission Report of February 2015.

According to existing data, the lagging behind is related to several factors. Maybe the most important one are not interconnected public registers – in such environment citizens or businesses have to insert the same information into many different registers and systems – again and again. Problems with e-Signature are other important issue. Last but not least – it also seems that in many cases necessary governments overspend, when realising e-Government projects.

Slovak case study also documents limited innovation capacities of Visegrad countries. Innovations in terms of developing public services to better meet public needs, also via the emphasis on the citizens, civil society and other stakeholders, represent real potential. The dominant rather conservative approach is not a consequence of the legal and financial status of municipalities in the country, but we can link it to the limited accountability and responsibility problem described for example by Vesely (2013).

3. Public administration reforms in Visegrad countries: current challenges and possible responses

After horizontal and vertical review of main features of reforming public administration in the Visegrad regions, we try to summarize findings in this chapter. We might conclude that reforms delivered much more on rhetoric than on actual reform outcomes. Many reform attempts pursuing the objectives of simple and cheap government, client oriented public administration, better performance or quality usually got stuck, did not reach the level of actual implementation or real improvements.

The texts of national chapters indicate several common challenges that determine such sub-optimal situation. In the following text we mentioned some of them (this list is to a large extend based on the Hungarian chapter, just showing that problems are very similar):

1. Reforms are disproportionately dominated by structural measures limited to shifting existing organizational boundaries and tasks and competences assigned to them.
2. Public administration and governance are generally perceived and practiced in a way predominantly oriented to, and based on, (public) Law. This is not challenge itself, but the

situation when governance is perceived almost exclusively in terms of the "Law making versus law execution" dichotomy and identifies public policy with legal text, or public management with law compliance is rather problematic.

3. Another common feature is the lack of clear and evidence based reform ideas – resulting into the frequently and radically changing character of actual reform directions - a general weakness of governments' capacity to think and act in a consistent and systematic manner.

4. State paternalism and fiscal illusion. The popular desire (not only of politicians in power) is to have solutions to problems "from above" – that is, initiated and implemented centrally, to rely that the state is here to solve all existing societal problems (and has enough own finance to pay for this). Citizen and tax payers demand large scope of public services, but at the same time evade and avoid tax payments as much as possible (Orviska and Hudson, 2013). Politicians in power tend to subordinate the others, forming a specific government system based on various methods to make others dependent on ruling powers.

5. The accession to the EU, in particular, had a clear impact on public administration reforms of the regions' countries. Harmonization (at least formal) with the expectations of the European Union enabling accession and successful absorption of EU funds is a next common feature for all Visegrad countries. However, it did not work so well because of a literal transposition of EU law into the body of domestic law, irrespective of national specificities and relevant stakeholders' views, because of an insufficient, often only symbolic implementation/enforcement of EU law and also because of reverse changes (civil service changes after 2004 are good examples).

6. The public administration is over-politicized; frequently, public administration reforms are triggered by the intention and/or result in acquisition of informal political, organizational or economic resources. Political patronage and informal networks of personal and group loyalties are typical phenomena in the region.

7. The weight of "grey" or outright illegal spheres and activities are significant. Abuse of institutions and office and corruption are widespread phenomena of public administration, too.

There have been many purposes for limited success of PAR in the Visegrad region, of so many important challenges not well reflected, yet. For sure, there is path dependency factor present – all Visegrad countries have long been firmly rooted in the authoritarian model of social relations and relations between social groups. "Socialist" mechanisms and structures were replaced by new "democratic" ones, but the behaviour and attitudes change very slowly (and may be even not "forward").

One issue is documented by Vesely (2013). He state that accountability and responsibility are not very well developed characteristics of good governance at any level of government in Central and Eastern Europe. This limit, combined with lingering habits from the communist era mentioned above, may

explain the behavior of politicians but also public servants. The values and principles of politicians and bureaucrats are still influenced by the socialist understanding of the state at every level, national and local, as a 'ruler' and not as a 'servant'

Moreover, in such environment for many politicians public administration reforms and public services innovation are necessary political agenda, but also unnecessary burden, especially if changes reveal some existing flaws in the system in which governments function and in the ways they are organized. The "reforms for reforms", or pure proclamations are results of such situation.

Other possible factors limiting the chance for real reforming might be weak political support for reforms, strong (organizational) political opposition to reforms, the lack of resources (material, informational, political etc.) necessary for implementation, the fact that there are no historical experience providing information how to change centralistic to marked based democratic society, lack of new-generation public officials, limited quality of their education and training.

In such situation the fact that reforms include mainly incremental and organisational changes – in some cases with positive results in some not, is inevitable issue, resulting also into the knowledge that real responses are possible only in long(longer)-term perspective, based on changes in the roles and attitudes of all participating actors. Citizens should change from passive consumers of public services (in whatever quality and/or quantity) to active subjects of local and national democracy, and politicians and bureaucrats need to be change from 'rulers' to real policy makers and service delivery institutions. The Hungarian chapter deals with this issue directly:

"Real political, legislative, and economic changes – in a word "dismantling" – of the socialist state and its transformation into a democratic state relying on the market economy require transformation regarding the perception of its role, activities of executive apparatus and institutions, nature and quality of public administration employees, and effectiveness of their work. And it is a very challenging and prolonged transformation that is not always absolutely clear. We must understand that people, who were born into the new social conditions, are only 26 years old, and while organizational-administrative and legislative changes may be relatively quick, changes in the thinking of people, overcoming the traditional models and pattern, as well as changes in the perception of reality require much ground to be covered".

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Notes and comments