

Marius, Profiroiu; Tudorel, Andrei; Carp, Radu; Dragos, Dinca

Research Report

Public administration reform in the perspective of Romania's accession to the European Union

Pre-Accession Impact Studies III, No. 3

Provided in Cooperation with:

European Institute of Romania, Bucharest

Suggested Citation: Marius, Profiroiu; Tudorel, Andrei; Carp, Radu; Dragos, Dinca (2005) : Public administration reform in the perspective of Romania's accession to the European Union, Pre-Accession Impact Studies III, No. 3, European Institute of Romania, Bucharest

This Version is available at:

<https://hdl.handle.net/10419/74632>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

Study no. 3

**PUBLIC ADMINISTRATION REFORM
IN THE PERSPECTIVE OF ROMANIA'S
ACCESSION TO THE EUROPEAN UNION**

Profiroiu Marius - **Coordinator**

Andrei Tudorel

Radu Carp

Dinca Dragos

CONTENTS

Introduction.....	3
1. Framework for Public Administration Reform (PAR).....	3
1.1. Administrative Capacity and Public Administration Reform	4
1.2. Statistical analysis of the features of the PAR implementation process.....	4
1.2.1. General features	4
1.2.2. Perception of the PAR process.....	5
1.2.3. Introduction of modern management tools	6
1.2.4. European integration and public administration.....	8
2. Local Public Administration Reform	10
2.1. Definition of the decentralisation concept.....	10
3. Risks of the Reform Process.....	17
4. Corruption in public administration	18
5. Reform of the public function	23
5.1. Recruitment and selection of public officials.....	25
5.2. Motivating public officials.....	27
5.3. Refining public officials	29
5.4. Evaluating performances.....	30
5.5. The conduct of public officials	31
5.6. Stability in the public function, relations with the political system.....	32
5.7. Communication, style of leadership and creativity.....	33
5.8. Responsibilities in the process of public function reform	33
Conclusions and recommendations	35
Proposals:.....	35
BIBLIOGRAPHY.....	50

Public Administration Reform in the European Context

Introduction

The Romanian society is undergoing a transformations process engaging all economic, social, political and civic elements in a new dynamic, in an attempt to adapt them to the current circumstances.

A functioning democratic system requires a successful economy and the development of a democratic attitude in the social mentality.

When considering this deep change of the Romanian society, one cannot ignore the public administration system, the need for introducing a modern dimension in this system and for sharing the values of the European administrative space.

The current study is aimed at approaching these ideas in the context of the impact of the reform process on the public administration in the recent years. With this view, a statistic survey based research was undertaken at the level of central and local public administration, using two representative samples of mayors and modernisers. Based on the results of the survey, the impact of reform measures on the decentralisation process and the civil service reform was analysed.

A coherent and sustained continuation of the process of decentralisation in the next period will lead to better quality and efficiency of public services, and local administrations will be able to improve their response to the requirements of citizens and local development.

The main priorities of the local administration for the next few years are: (i) improving the provision of quality local services, (ii) increasing the local revenues, (iii) supporting the development of capacity for using local potential, and (iv) implementing measures for attracting strategic investment in their community. To this aim, local public administrations are considered primary units of local policy and decision making.

The major challenge for local authorities on the short and medium term is to create the mechanisms for supporting Romania's accession to the European Union, in order to deal with the cultural and economic changes, but also to be able to manage European structural and cohesion funds and to implement public policies. The development of administrative capacity requires increased professional skills and preparedness of civil servants from local public administration institutions. Therefore, civil service reform has a crucial role. A politically neutral, professional and fair civil service can create the prerequisites for a real transformation of public administration in Romania.

1. Framework for Public Administration Reform (PAR)

Romania has concluded the accession negotiations with the European Union in December 2004, but there are still many things to be done before the actual accession date, which will be January 2007. Integration in the European structures requires the development of a public administration convergent to the values of the European Administrative Space, and also capable to allow Romania to meet the requirements of full EU membership.

Public administration reform reflects substantive changes in its major components, both at central government and local administrative level, and in the delivery of public services in general. On the other side, democratic consolidation requires the development of a

new relationship between citizens and administration, a strengthened role of the authorities and the redefinition of the partnership with the civil society and the local elected officials.

1.1. Administrative Capacity and Public Administration Reform

In discussions of **Public Administration Reform** in Romania there is often some confusion over what it actually entails. In concrete terms it means more than the kind of reforms required to improve the **administrative capacity**. These are two different categories of idea about public sector organization. However, they are functionally connected.

PAR is an all-embracing concept; it contains all aspects of the public sector organization including the overall architecture of ministries and agencies, the organizations, systems, structures, processes, incentives, as well as the arrangements for maintaining governance over these arrangements and reforming the system from time to time. On one side, administration refers to the way in which the coordination of public sector actions is formally authorized, ordered and organized. On the other side, administrative capacity is an assessment of the functioning of the hierarchy of officials in the public service, and this of course is just one element of wide-ranging PAR.

Nevertheless administrative capacity is crucial to reform and to the functioning of the state, but as we have noted it is only part of the larger vision, and by itself it will not be effective in delivering the results expected from a modern administration. In fact, increased administrative capacity, by itself, can be as much of a hindrance as a help to achieving results. It depends in part how it is organized and directed, and also how it is staffed and with what attitude the staff undertake their functions.

*In order to support the fundamental change of the administrative system, in agreement with the requirements of the reform process, a consistent set of measures needs to be implemented in a clear time framework, in the areas of **civil service reform** – aimed at creating a professional, stable and politically neutral corps of civil servants -, **local public administration** – aimed at continuing the decentralisation/de-concentration process of public services -, and **central government reform** – aimed at improving the policy formulation process.*

A coherent and credible PAR process engaging both the political and the administrative systems requires the development of a stable network promoting the change, made up of the main stakeholders in this process.

In practice, the reformers network can simply get started by trying to develop managerial capabilities and working out how to install these new capabilities within the existing hierarchies of the state. This process will reveal the kind of problems that other countries have had to solve, and will reduce the learning cycle Romania has to go through. In 2002 a national modernisers network covering both central and local administration was set up, with the support of EU funded experts. The network consists of over 380 civil servants working in ministries, prefectures and local communities.

1.2. Statistical analysis of the features of the PAR implementation process

1.2.1. General features

In 2005, the European Institute of Romania supported a research to assess the progress on the implementation of the PAR measures and the capacity development of the modernisers network. The survey also included data gathered from two representative samples of municipality mayors and modernisers in ministries and counties.

The first two samples were identified by a two stage sampling technique, and represented 9% of the total population researched. The estimated error at the level of the reference populations is 1.2% for the first sample and 1.8% for the second sample.

In drafting the questionnaires, the following two aspects were considered:

- ?? **To measure the opinion of important stakeholders in the process on current PAR issues:** civil service management, in-service training of civil servants, local PAR and the decentralisation process, training of the local elected officials on specific local development issues, corruption, changes of technical staff under political pressure, communication and coordination of the reform process, etc.
- ?? To measure the convergence of vision of the reform issues between the civil service, including the modernisers network and the politicians, including local mayors.

1.2.2. Perception of the PAR process

Both technical staff and elected officials perceive public administration reform as a process which has not brought about the expected changes. Thus, half of the mayors have a negative opinion on the changes in public administration, while 36.4% of modernisers believe public administration is changing to a little extent. Moreover, between the two main actors of the local reform process, modernisers in prefectures and county councils and mayors of local communities, there are significant differences of perception.

Table 1. Do you think public administration is undergoing a wide ranging reform process?

Answer options	Mayors		Modernisers		Balance (%)
	Relative frequency (%)	Cumulated relative frequency (%)	Relative frequency (%)	Cumulated relative frequency (%)	
1	2	3	4	5	6=4-2
No	3.6	3.6	0.0	0.0	3.6
To a little extent	46.6	50.2	36.4	36.4	10.2
To a great extent	41.9	92.1	54.5	90.9	-12.6
Radical changes	7.1	99.2	9.1	100.0	-2.0
No answer	0.8	100.0	0.0	100.0	0.8
Total	100.0	-	100.0	-	-

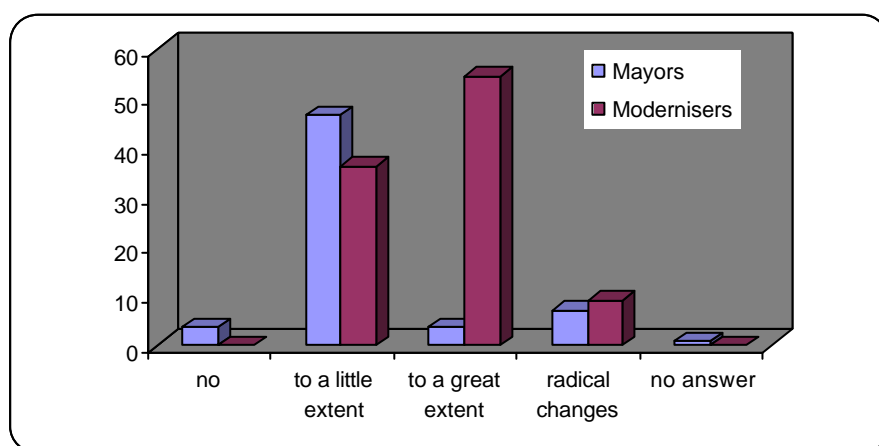


Figure 1. Do you think public administration is undergoing a wide ranging reform process?

Possible explanations for this status quo are:

- ?? Lack of communication between the county modernisers groups and the local community mayors on specific reform issues;
- ?? Some of the reforms underway do not yet have significant effects at local community level, the reform process is a long term one;
- ?? The political message coming from the central government is not accompanied by a sustained information campaign and training sessions for local elected officials on specific reform components.

In any case, the lack of an information campaign on the reform measures to be undertaken in the next period and affecting the local administration provides an explanation for the gap between the expectations and the changes perceived by the mayors.

Table 2. To what extent do current changes meet your expectations?

Answer options	Relative frequency (%)	Cumulated relative frequency (%)
Not at all	5.5	5.5
To a little extent	48.6	54.2
To a great extent	39.1	93.3
Entirely	6.3	99.6
No answer	0.4	100.0
Total	100.0	-

1.2.3. Introduction of modern management tools

To support the PAR process, the Central Unit for Public Administration Reform (CUPAR) launched the introduction of two innovative tools both for central government and for prefectures and county councils: the **Multi-annual Modernisation Programmes (MMP)** and the **Common Assessment Framework (CAF)**.

A. Multi-annual Modernisation Programmes (stretching over three years) using three documents:

- ?? **The Modernisation Strategy for each institution**, describing the internal environment, the sectoral priorities identified, the modernisation actions and implementation procedures, monitoring and evaluation;
- ?? **The Action Plan**, including the forecasted measures, expected outputs, progress indicators, deadlines, responsibility and funding sources ;
- ?? **The Annual Monitoring Report**, assessing to what extent the agreed objectives have been met, rescheduling the outstanding actions and introducing new priorities in the action plan for the next year.

The implementation of the MMPs in ministries, prefectures and county councils started in June, when they were asked to draft Strategies for accelerating PAR in their policy area.

The questionnaire distributed to the Modernisers Network included two questions about their opinion on the implementation and overall outputs of this tool. The main conclusions are presented below:

- ?? The general opinion is favourable to the implementation of MMPs in public institutions. It is remarkable that none of the interviewees considered the MMP implementation “just a bureaucratic activity”;

- ?? Over half of the modernisers think this is an effective tool for the reform process in public administration;
- ?? The other half is also favourable to the MMP implementation, but points to significant difficulties in the current stage of PAR. These are linked to the lack of a funding mechanism created specifically to support the modernisation measures from the MMP Action Plan;
- ?? The MMPs have produced positive results in the area of communication and IT;
- ?? Less positive results were achieved in the area of human resource management. Thus, more than half of the subjects interviewed considered the results were insignificant following the MMP implementation.

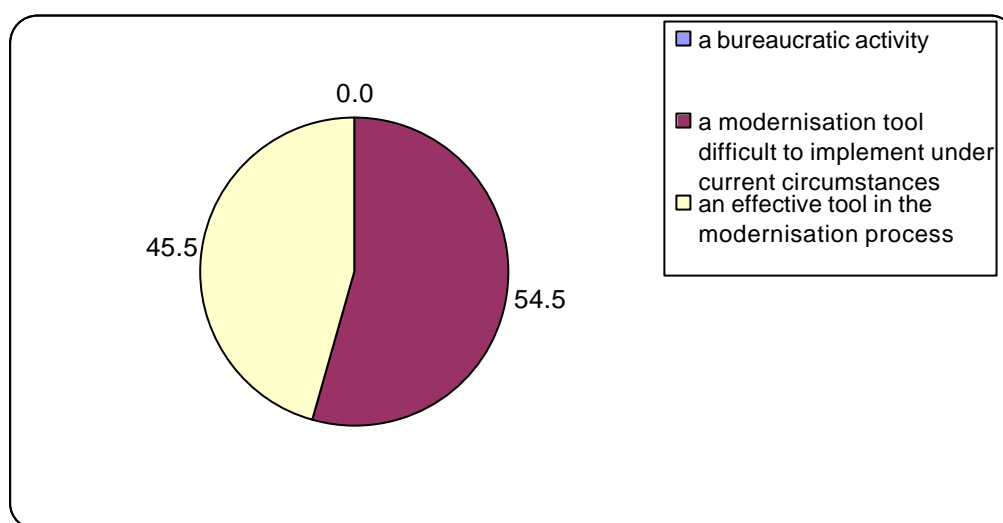


Figure 2. What describes better the MMP implementation in your institution?

Table 3. To what extent did the MMP contribute to the improvement of the following?

	Internal Organisation (%)	Human Resource Management (%)	Public Management Tools (%)	Communication and IT (%)
Not at all	0.0	4.5	0.0	4.5
Insignificant degree	9.1	13.6	13.6	0.0
Moderately	27.3	36.4	36.4	36.4
Quite a lot	27.3	22.7	36.4	22.7
To a great extent	27.3	13.6	4.5	31.8
No answer	9.1	9.1	9.1	4.5
Total	100.0	100.0	100.0	100.0

B. The Common Assessment Framework (CAF) measures the performance of an organisation, by using a diagnostic analysis. This tool, designed in 2000 by the Innovative Public Services Group (IPSG) of the European Commission, has four main directions:

- ?? Specific features of public sector organisations;
- ?? Organisational performance improvement;

- ?? Coordination of various models of quality management;
- ?? Benchmarking of public sector organisations.

The second version of CAF is being used by central and local administration, but also by private companies throughout the European Union.

During 2004, this tool was introduced on a pilot basis in nine divisions of the Ministry of Administration and Interior and the National Agency for Civil Servants. With the support of the Modernisers Network the CAF implementation started to be extended to other ministries, county councils, prefectures, as well as other interested institutions.

Based on the interview with the modernisers, the extension of the CAF implementation is very slow. Thus, almost three quarters of ministries, prefectures and county councils have not yet started the pilot implementation.

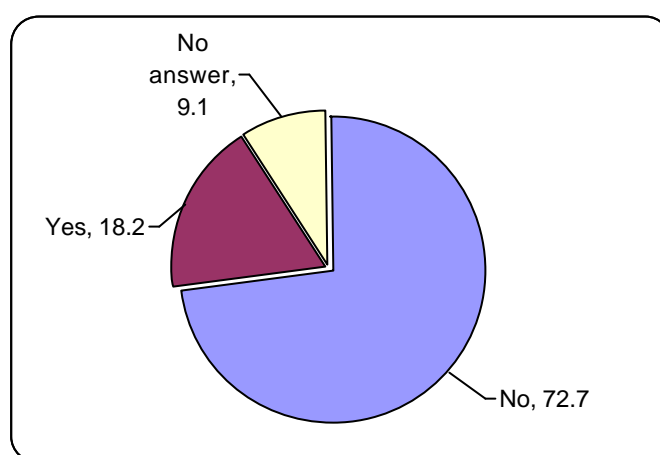


Figure 3. CAF Implementation in public institutions

1.2.4. European integration and public administration

The representatives of local communities believe that the integration in the EU structures is a beneficial process for the short and medium term local development. More than 80% of mayors responded that EU integration will positively influence the development of their local community in the next five years, while 17.8% were sceptical.

Tabelul 4. What influence do you think Romania's accession to the EU will have on your community's development in the next 5 years?

Answer options	Relative frequency (%)	Cumulated relative frequency (%)
Negative influence	2.4	2.4
Insignificant influence	15.4	17.8
Positive influence	81.8	99.6
No answer	0.4	100.0
Total	100.0	-

Unfortunately, the optimism of the mayors about the accession process is not accompanied by the necessary capacity of local authorities and local companies to use structural funds. Moreover, local administrations are not interested in assessing the training

level of local elected officials and companies on accessing and using these funds (15% of the interviewed mayors could not express an opinion on this topic).

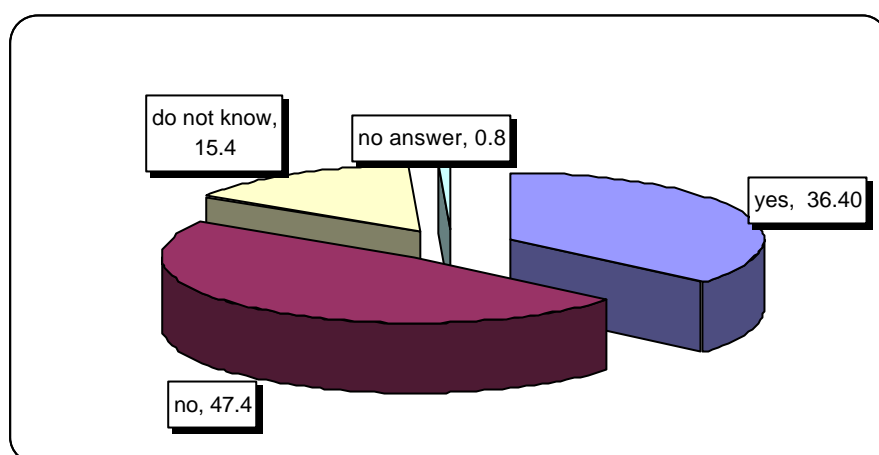


Figure 4. Training of local companies in using structural funds

More than half of local authorities in Romania have not yet applied for EU funding for institutional development or local community development. This is a clear indication of the reduced administrative capacity for employing structural funds in the period immediately following the accession.

Table 5. Usage of external financing

Answer options	Relative frequency (%)
Have used EU funding	45.8
Have not used EU funding	51.0
No answer	3.2
Total	100.0

2. Local Public Administration Reform

2.1. Definition of the decentralisation concept

Decentralisation is the transfer of authority and responsibility for certain public functions from the level of the central government of a country to sub-national government levels or autonomous institutions¹.

The Strategy for Public Administration Reform in Romania, agreed by the European Commission, defines decentralisation by three directions:

- ?? **Continuation of the decentralisation**, by transferring administrative and financial responsibilities and competencies from the central administration to local authorities;
- ?? **Continuation of the deconcentration process**, by delegating responsibilities to the territorial levels according to local needs, within the same administrative structure (the deconcentrated services are operating under the authority of the ministry delegating that responsibility);
- ?? **Transformation of the deconcentrated territorial services**, according to citizens needs and for making them more effective, into decentralised services under the authority of local authorities.

Depending on the transferred responsibilities, the decentralisation falls under three categories: **political, administrative and fiscal**.

Political decentralisation means greater power for the citizens in the decision making process, guaranteed by the democratic processes.

One argument supporting political decentralisation is: “Decisions made with a greater participation from the citizens are better fundamented and more relevant, including more social interests than those decision made at the level of national political authorities. This concept implies that voters get to know their political representatives better and at the same time the elected officials know the needs and expectations of their voters better”².

This aspect also comes out of the answers given by the respondents interviewed for the current research. Thus, approximately 50% of answers showed there is a chronic political influence in local public administration.

Administrative decentralisation is, according to literature, the “transfer of responsibility on the planning, financing, and management of certain public functions from the central government and its agencies to subordinated units, semi-autonomous public authorities or regional or local authorities”³.

The subcategories of administrative decentralisation are frequently defined according to the type of institution or agency receiving the transferred responsibility.

In the current context of PAR, decentralisation and deconcentration, as part of the administrative decentralisation, are considered a priority, noting that the decentralisation is assimilated to devolution and delegation. In the same context, we must note that in Romania’s case, devolution does not involve a possible territorial and administrative autonomy.

According to the Constitution of Romania, revised in 2003, “the public administration of administrative and territorial units is based on the principles of decentralisation, local autonomy and deconcentration of public services”. At the same time, the fundamental law

¹ Rondinelli, D.A., J.R. Nellis, G.S. Cheema, “*Decentralization in Developing Countries: A Review of Recent Experience*.” Staff Working Papers Number 581. Washington, D.C.: World Bank, 1983.

² Rondinelli, D.A. “*What is Decentralization?*” In Litvack, J. and J. Seddon (eds.). “Decentralization Briefing Notes”, Washington, D.C.: World Bank Institute, 1999.

³ Rondinelli, D.A. “*What is Decentralization?*” In Litvack, J. and J. Seddon (eds.). “Decentralization Briefing Notes”, Washington, D.C.: World Bank Institute, 1999.

states that the County Council is “the public administration authority coordinating the activity of local councils, with a view to providing the public services of county interest” (Art. 122/1).

During the last ten years, Romania has made important progresses in the area of decentralisation. The process went through four stages. In the first stage (1991-1994)⁴ important changes were made in the structure and funding of local authorities, including the introduction of the local taxation system. In the second stage of the reform policy (1998-2000) administrative and financial decentralisation became a priority. Based on the new legislation on financing of local public authorities⁵, the share of GDP going to local budgets increased (from 3.6% in 1998 to 6.5% in 2001), but also the share of local expenditure in total public expenditure increase (from 14.4% in 1998 to 26.6% in 2001). In the third stage (2001-2004) the new laws set new rules for certain functions of local authorities⁶, especially for public services or utilities⁷.

The fourth stage (after 2004) started with the design and approval of the Updated Strategy for Accelerating Public Administration Reform (Government Decision no. 699/2004). One of the most important components of this strategy is the continuation of the decentralisation and deconcentration processes. For implementing this strategy, a legislative package was drafted to support the entire process (the Framework Law for Decentralisation no. 339/2004, the Law of the Prefect no. 340/2004 and the Government Decision no. 2201/2004 on the Inter-ministerial Technical Committee and Working Groups on Decentralisation).

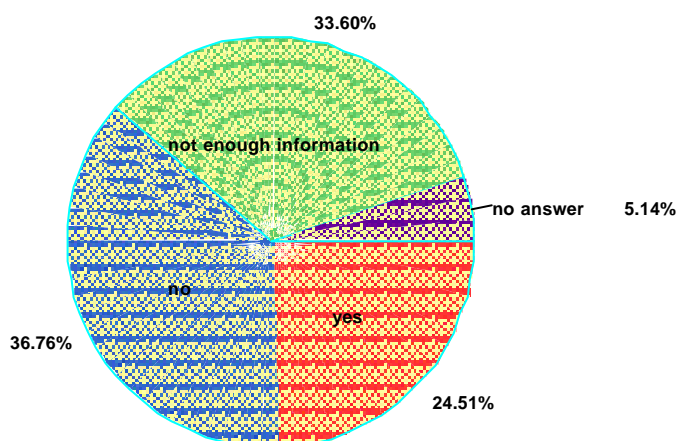


Figure 5. Are there any public services in your community that would improve performance if decentralised from central to local level?

The answers from local community mayors allow us to formulate the following conclusions:

⁴ Law on Local Public Administration no. 69/1991, Government Ordinance no.15/1992 on Local Taxes, and Law no.27/1994 on Local Taxes.

⁵ Law no. 69/1991 and Law no. 189/1998 on local public finance were amended.

⁶ Law no. 215/2001 on local public administration.

⁷ Example: Law no. 326/2001 on public community services, Government Ordinance (GO) no. 86/2001 on local passengers public transport services, GO no. 84/2001 on the public service for people's registration, GO no. 88/2001 on the public services for emergency situations, GO no. 202/2002 on the integrated management of the coastal area, GO no. 21/2002 on the management of urban and rural communities, GO no. 32/2002 providing on the public services for water distribution and sewage, GO no.71/2002 on setting up local public services for the management of public and private domains of local interest..

- ?? There is a favourable opinion towards the decentralisation process and the advantages it may generate;
- ?? Smaller communities, which do not benefit from public services provided by the central level, have a more negative opinion. According to surveys by foreign experts, there is a strong sense of frustration among local elected officials who think that the decentralisation defined by legal texts is insufficiently implemented and ultimately depend on their ability to negotiate with the state and to accept the corresponding political risk. Moreover, according to these experts, the sense of frustration is stronger in the poorer communities which have fewer own resources. Because transfers from the central government depend especially on the resources from income tax and VAT collected from that territorial unit, a significant equalisation effort is needed for communities to be able to fund the basic, legally compulsory functions. It is almost impossible for these communities to generate resources for funding investments, although these are necessary. In turn, richer communities do not have the incentives to mobilise their fiscal potential and often prefer to give deductions or waivers and ask for central government support to finance the deficit.
- ?? An important number of respondents are not familiar with the topic of decentralisation.

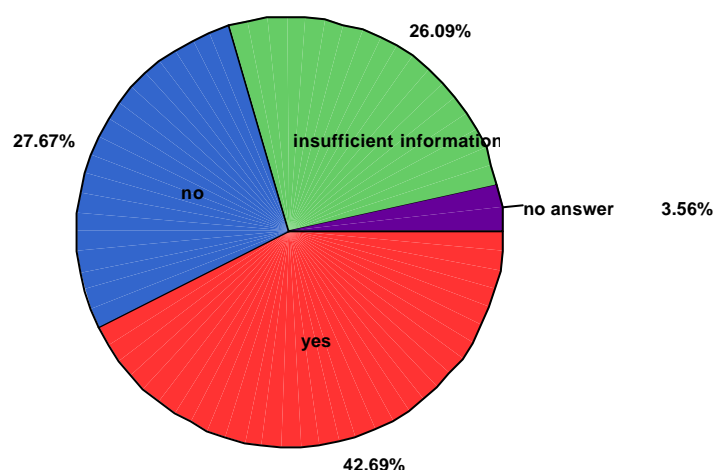


Figure 6. Are there any public services which should be managed by the private sector?

The interviewed local elected officials considered the possibility of privatising some local public services in order to make them more effective and reduce local budget expenditures.

Fiscal decentralisation relates to an enhanced control of local authorities over financial resources, whether it comes to distributing expenditures or generating revenues. Much of the specialised literature on fiscal decentralisation focuses on the nature of inter-governmental transfers and on the differences between the revenue generating capacity of various types of institutions. A basic feature of fiscal decentralisation is the proper balance between the responsibilities and the financial resources needed to meet those responsibilities.

Over 60% of the interviewees believe that the steps taken so far in fiscal decentralisation are not sufficient and in some cases are inadequate to support a proper financing of the public services delivered to citizens.

Both foreign and Romanian experts point out that “the decentralisation and deconcentration process has not been completed, meaning that the necessary financial resources have not been transferred and the competencies to be transferred and decentralisation levels have not been clearly established” (*The PAR Strategy, 2004*).

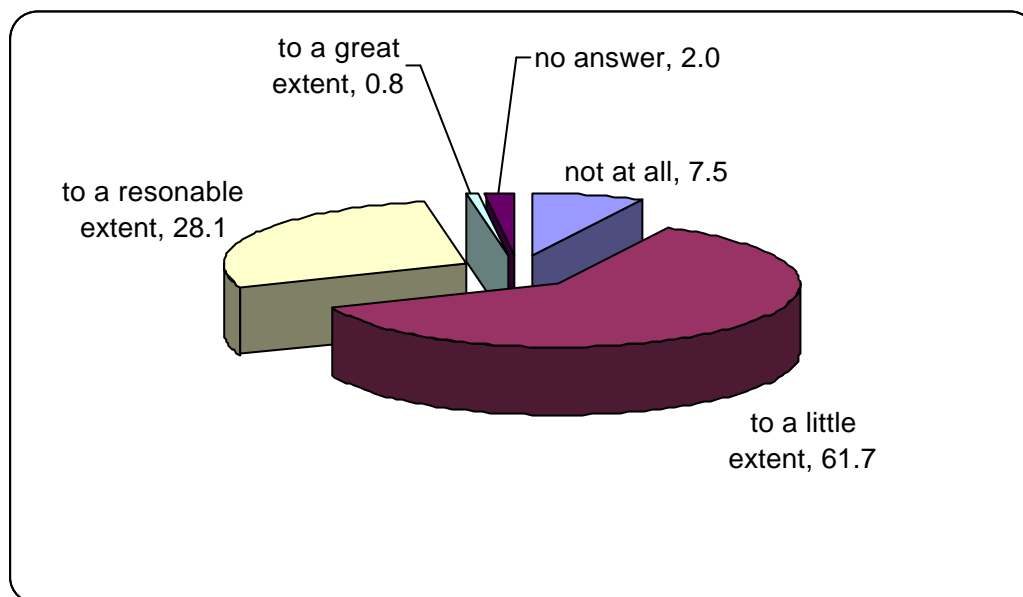


Figure 7. Does the current system for financing local public services meet your needs?

The National Union of County Councils and the Association of Economic Directors from County Councils undertook a detailed review of the current stage of financial decentralisation throughout Romania and for the most important policy areas (education, health, social security, public order and safety, agriculture, local development services).

Besides the positive aspects, several weaknesses of the decentralisation process were identified:

- ?? The local public administrations do not have enough authority, which limits their capacity to organise the services efficiently (e.g. they do not have the right to set the price of services);
- ?? In some areas direct control mechanisms and discretionary decisions can still be found. This limits both the financial planning and forecast, and the possibility to introduce local innovative solutions for providing more effective services. Indirectly, this limits the absorption capacity for EU funding;
- ?? Local financial management autonomy is limited by the regulations on allocation of own revenues, by restricting the use of transfers;
- ?? The excessive use of fixed allocations is limiting the effective spending of money, because it prevents the coordination and integration of local services;
- ?? The existing equalisation mechanisms do not ensure the equity of the system;
- ?? The incomplete ownership transfer is a limit on the effective management of local assets;
- ?? Lack of specific legal and constitutional guarantees for local autonomy;
- ?? Insufficiently fundamented and partially implemented public policies could not provide rational solutions for the existing issues;
- ?? The excessive use of emergency procedure ordinances and laws, instead of due process consultations;
- ?? Public authorities have not always had specialised training on financial management and decentralised services management;

?? The gap between the decision making authority transferred to local administrations and the resources allocated to fund these decisions (the allocated local resources do not match the increased responsibilities).

A badly managed decentralisation process can produce a wide range of state failures, from “errors of omission”, when the state is unable to improve the economic or administrative performance, to “errors of action”, when the state’s actions lead to worse economic performance.⁸ Not only do these errors prevent the development of a significant decentralisation policy aimed at improving the provision of local services, but they have a negative impact on local authorities’ credibility.

The 2004 Regular Report of the European Commission states: “Most importantly, the Romanian authorities have made considerable efforts to develop the strategy guiding the decentralisation process in a transparent and stable way. The Strategy was adopted in May 2004 and it identifies clear priorities for future reforms. It is notable that the Strategy was prepared following an extended public debate (a National Forum) with the main stakeholders. But the proposed reforms are still in a preparation phase and their implementation has to be ensured. The effective cooperation between the Ministry of Administration and Interior and the Ministry of Public Finance need to be considerably improved.”⁹

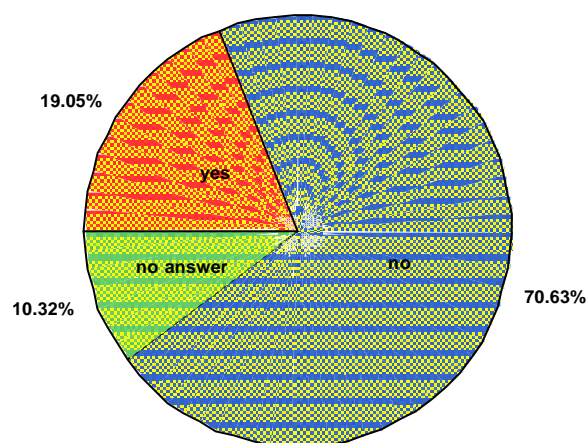


Figure 8. Do you know any public service which was decentralised in the last four years?

⁸ Krueger, Ann, 1990. Governance Failures in the Development Process, *Journal of Economic Perspectives* 4 (3): 9-23.

⁹ 2004, Regular Report on Romania’s progress towards EU accession, page 17.

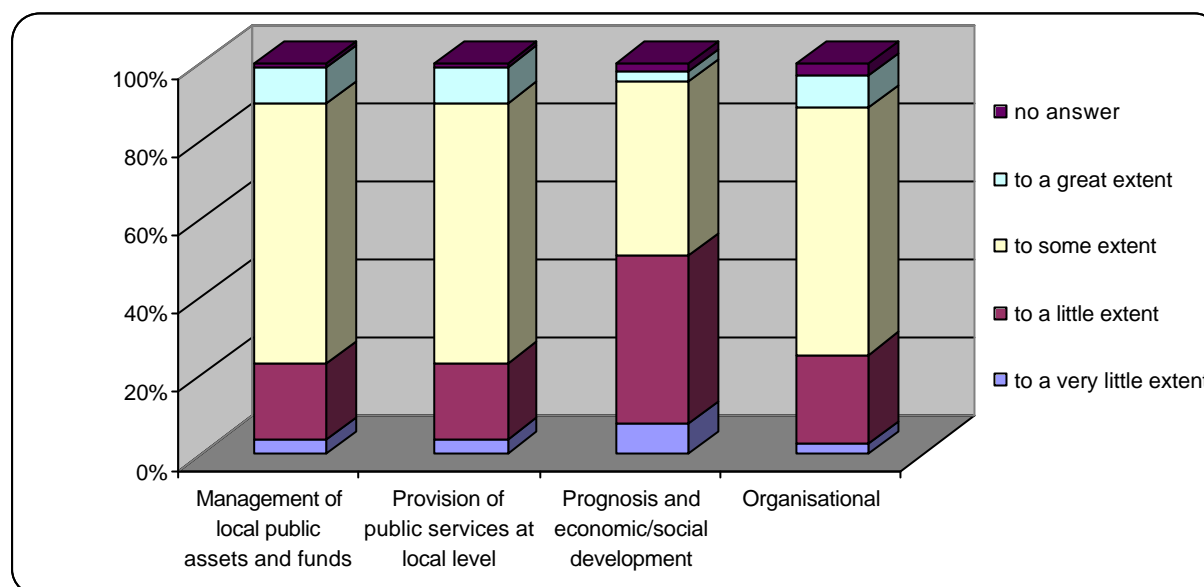


Figure 9. In your opinion, considering the current stage of decentralisation, to what extent can the local administration fulfil the following functions?

From the answers of the interviewees, we can conclude that the decentralisation has not had consistent effects at local level. Possible explanations can be:

- ?? So far only the legislative and institutional framework have been developed and the actual outcomes at local level will be evident in the years to come;
- ?? The process was not coherent, properly researched, the necessary resources were not released and the communication with the stakeholders has been flawed;
- ?? Not all administrative territorial units have been involved in the process, because of their insufficient administrative and managerial capacity. This is also stated in the 2004 EC Regular Report: “Most local authorities suffer from limited administrative capacity and have high civil servants turnover”¹⁰.

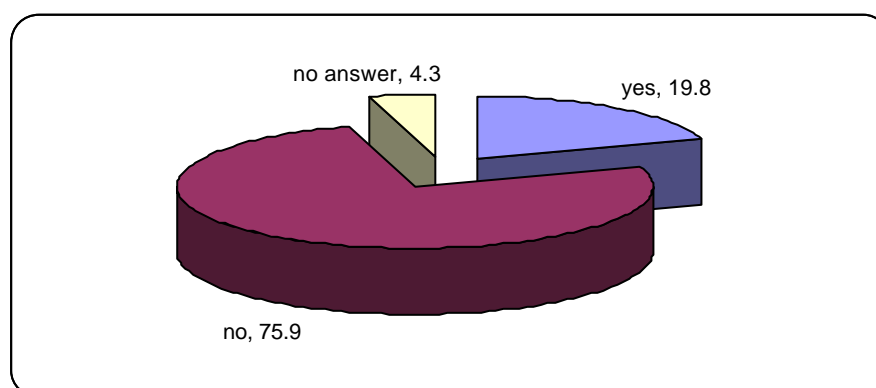


Figure 10. During your time in office did you ever make proposals in support of the decentralisation process?

¹⁰ 2004, Regular Report on Romania’s progress towards EU accession, p 17.

The answers of the local elected mayors reveal, among other causes, a weak implementation of the local administration laws and the lack of transparency of the decentralisation process.

3. Risks of the Reform Process

An important aspect of PAR is the management of the reform implementation process. The major risk is the overload with current routine task, leaving no time for designing new solutions to the problems encountered.

In order for PAR to be successful, it is necessary that a large number of target groups (especially key people at the management and decision making levels) **support and commit to the need for changes and their implementation**. Based on the integrated organisational development model, the negative influences on the implementation process can be identified: strategic factors (decision making complexity), structural factors (bureaucracy of the system, limited human and financial resources, size and complexity), cultural factors (risk aversion, inertia, mentality), and behavioural factors (lack of individual incentives, misunderstanding of overall objectives, frustration, expectation behaviour).

Public administration cannot be reformed in a few years. It is a long-term process, which probably can be implemented only by several consecutive governments in a difficult, highly competitive and rapidly changing external environment. For this reason, it is necessary to reach consensus on the **following principles which will govern the whole reform process**:

- ?? **Widely disseminating information on the reform** and mobilising interest of citizens, professionals, political representatives and civil servants in making the reform happen and democratically exchanging opinions on its desirable and feasible course,
- ?? **Basing the reform on solid professional analyses of the present state** and performance of public administration and on periodic evaluation of the consequences of completed reform steps,
- ?? **Using experience with public administration reform in other countries**, particularly in EU member states and in the countries preparing for accession to the EU, while considering our own tradition and experience,
- ?? **Adopting a comprehensive approach to the reform**: no isolated and partial changes should be implemented if not conceived as integral and organic parts of the total reform strategy and process,
- ?? **Viewing the reform as an open process**: individual reform components will be continuously updated and adapted to the changes in the external environment of public administration and in other components of the reform, and will utilize experience acquired during implementation,
- ?? **Determining strategic priorities**: a limited number of priority changes will have to be defined for every reform phase on which attention and funds will have to concentrate; these should be the changes that predetermine the overall progress of the reform and condition or influence all other changes,
- ?? **Assuring continuity of the operation of public administration**, which must continue to function also in the course of reorganization, decentralization and other changes,
- ?? **Managing and coordinating the whole reform from a single centre at the highest level of Government**, to ensure coherence of the strategy implementation.

4. Corruption in public administration

In the last few years, the academic and research environment and the international organisations (most notably the International Monetary Fund and the World Bank) showed an increased interest in assessing the level of corruption and underground economy in each country. Some of the most important papers on measuring corruption and its impact on economic development include: A. Krueger [1974]¹¹, S. Rose-Ackerman [1975]¹², P. Mauro [1995]¹³, P. Bardhan [1997]¹⁴, V. Tanzi [1998]¹⁵, Shang-Jin Wei [2001]¹⁶, etc.

By their effects, the two phenomena determine a significant reduction of the financial resources available for each state, as well as a drop in the efficiency of using these funds.

For assessing the level of corruption in a country a series of corruption indicators¹⁷ are being measured, most notably: International Country Risk Index, measured in the International Country Risk Guide (ICRG), based on “expert opinions”; the corruption index measured for the Global Competitiveness Report (GCR) and World Development Report (WDR), based on surveys on companies and citizens; the index of perceived corruption, measured by Transparency International (TI), based on a “pole of poles”; the corruption indicator based on several objectives and relevant data.

The calculation of the corruption index in a country is based on the answers of foreign business people in that country. A significant indicator used to assess the level of corruption is *Transparency International Corruption Index*¹⁸ (TICI). Between this index and the *Human Development Index* (HDI) there is a strong connection. For developed countries, high on HDI, the TICI is low, while underdeveloped countries low on HDI have endemic corruption throughout society. For example, for the series of TICI and HDI values recorded in 2001 around the world, the correlation linear coefficient is 0.77. For NATO member states the value is 0.71.

Before 1990, black economy and corruption existed in Central and Eastern European countries under various shapes. Later, the transitional processes were accompanied by increased corruption and the consolidation of an underground economy. In 2001 Romania, almost 30% of the population lives in poverty. For the same year, the Corruption Index places Romania among the most corrupt Eastern States.

Concluding, “if the underground economy in the poorest countries allowed for the creation of a certain number of jobs in the desire for solidarity and family cohesion, their excessive development is a real danger both for the economy and for the political system of that country.”¹⁹

According to the European Commission, “in the areas of decentralisation and local administration, the fears expressed in last year’s Regular Report are still valid. The transfer of competencies to local authorities was not matched by a corresponding resource transfer.

The capacity to increase local revenues remains limited, the legislation on financial transfers to local authorities is not transparent, granting county councils an important control function on the expenditures of local councils. The additional funding for local investment (particularly roads and heating systems) is provided by “special funds” from the central

¹¹ Krueger A., *The political economy of rent-seeking society*, American Economic Review, vol. 64, N° 3, June 1974

¹² Rose-Ackerman R., *The economics of corruption*, Journal of Public Economics, n° 5617, June 1975

¹³ Mauro P., *Corruption and growth*, Quarterly Journal of Economics, Vol. 110, n° 3, 1995.

¹⁴ Bardhan, P., *Corruption and development: a review of issues*, Journal of Economic Literature, Vol.35, n° 3, 1997

¹⁵ Tanzi, V., *Corruption Around the World: Causes, Consequences, Scope and Cures*, IMF, 1998.

¹⁶ Shang-Jin Wei, *Corruption in economic development: grease or sand?*, Economic Survey of Europe, n° 2, United Nations, 2001.

¹⁷ Shang-Jie Wei, *Corruption in Economic Development: Grease or Sand?*, Economic Survey of Europe, 2001, n° 2, United Nations.

¹⁸ Lambsdorff Johann Graf, *Transparency International Corruption Index, Responding to the Challenges of Corruption*, Act of the International Conference, Milan, 19-20 November 1999, p.257-277.

¹⁹ Germanangue-Debare, M., *Les pieges de l'economie souterraine*, Le Courier de l'UNESCO, juin 1996, p. 22-24.

government. The institutions responsible for managing public funds have no power at local level, and their reports cover the use of public funding for the benefit of certain political interest groups. This is a distinct concern in a moment when the country is preparing for the management of EU structural funds.”²⁰

From the answers of the interviewees, both those in decision making position (mayors) and those in implementation positions (modernisers) we can identify corruption as an important negative influence on the routine activities, but also on the reform process itself.

The following factors were considered as causes for this phenomenon:

?? **The Legal Framework** – this allows for a great deal of corruption in local public administration. Our recommendation was to speed up the review of current legislation governing the activities of local public administration, in agreement with the EU and World Bank requirements on PAR.

?? **The Pay System** – is the main factor maintaining corruption in the system, according to the respondents. This is clear, considering that the pay level does not match the responsibilities in the public sector. Equally, this is determined by the lack of a sustainable strategy on civil service pay and the development of a unified pay system following that strategy. This would be instrumental in creating the right kind of incentives for civil servants, attracting and keeping the best people in public administration and closing the gaps between different categories of civil servants, but also between the public and private sectors.

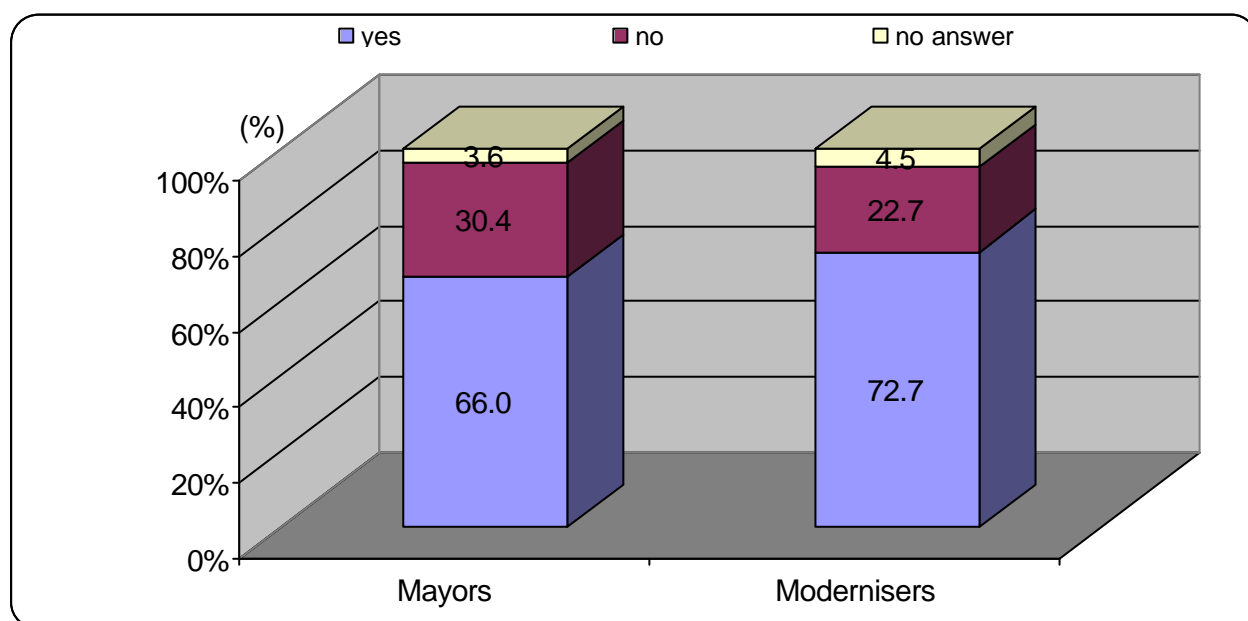


Figure 12. Do you think corruption is a genuine problem for public administration?

?? **Civil Service Ethics** – is the least mentioned factor in the survey, but it is not insignificant. The explanation for this is a low awareness of the organisational culture, an outdated mentality of public employees, contradicting the fundamental trends of society. It is important to note that the modernisers mentioned this factor much more often than the mayors. This can be explained by their closeness to the citizens, compared to the decision makers.

²⁰ 2004, Regular Report on Romania's progress towards EU accession, p 17.

- ?? **Pressure from economic interests** – is an important factor generating corruption, and it is felt more strongly by mayors than by the technical staff, because decision makers are better targets for this type of pressure.
- ?? **Pressure of the political system** – is also an important factor. Almost 50% of respondents said the political influence is large or very large and favours corruption. The explanations can be: the high turnover of civil servants, especially at management level, with the electoral cycles and the political “nepotism” mainly as concerns the distribution of financial resources at local level.
- ?? **Citizen behaviour** – is a moderate influence compared to the other factors and can be considered more as an effect rather than a cause for corruption.

Table 6. Factors encouraging corruption – Mayors

Answer option	Legal Framework	Pay System	Civil Service Ethics	Pressure from Economic Interest	Pressure of Political System	Citizen Behaviour
Not at all	3.6	0.0	3.0	6.0	13.2	6.6
Insignificantly	12.6	0.6	19.9	18.0	12.6	24.1
Moderately	15.6	5.4	32.5	19.2	15.0	28.9
Quite a lot	29.9	25.3	19.9	30.5	27.5	19.3
To a great extent	23.4	65.7	17.5	12.6	21.6	7.8
No answer	15.0	3.0	7.2	13.8	10.2	13.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

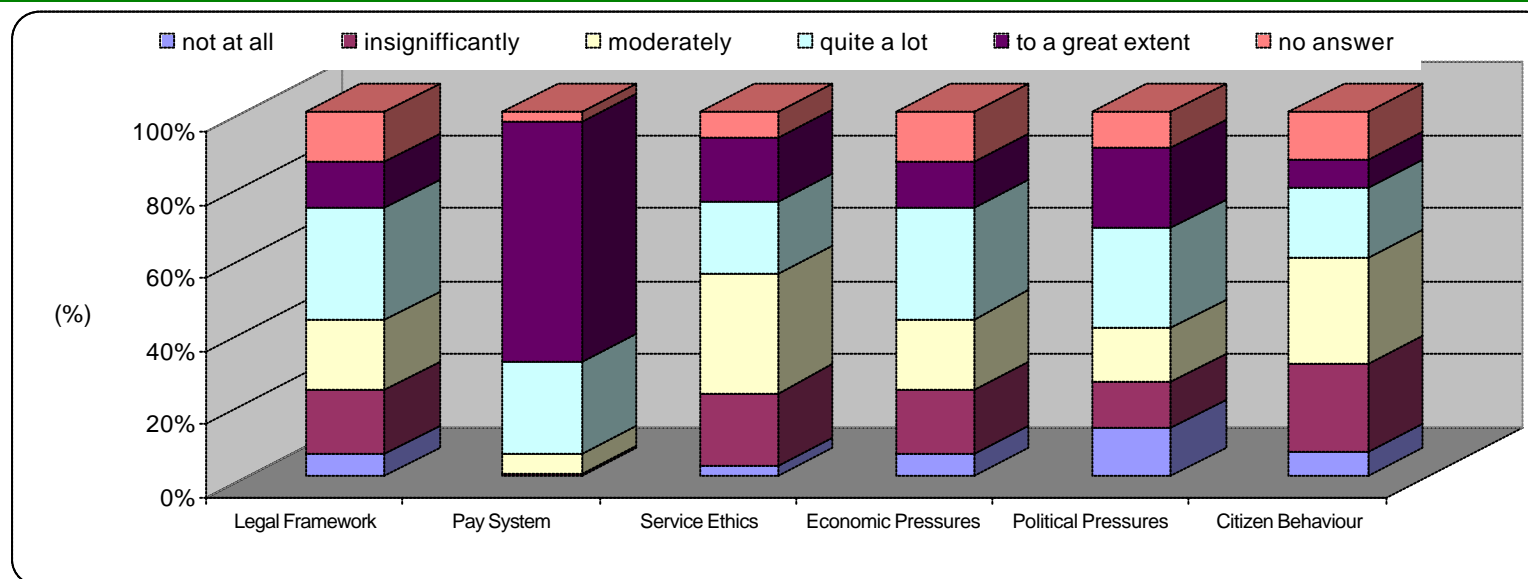


Figure 14. Factors encouraging corruption – Mayors

Table 7. Factors encouraging corruption – Modernisers

Answer option	Legal Framework	Pay System	Civil Service Ethics	Pressure from Economic Interests	Pressure of Political System	Citizen Behaviour
Not at all	0.0	0.0	0.0	0.0	12.5	0.0
Insignificantly	6.3	6.3	25.0	12.5	12.5	43.8
Moderately	18.8	12.5	18.8	31.3	25.0	12.5
Quite a lot	50.0	31.3	50.0	25.0	18.8	18.8
To a great extent	12.5	50.0	6.3	18.8	25.0	25.0
No answer	0.0	0.0	0.0	12.5	6.3	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

5. Reform of the public function

It must be made clear from the outset that there is no community *acquis* in what concerns administration or the public function. The Treaty on the European Union (art. 39, para. 4) maintains that the freedom of travel of the individuals does not apply to “employment within the public service”, which means that member states are free to decide on the national legislation applied in this field. The same directive is mentioned in the Treaty on the establishment of a Constitution for Europe (art. III, para. 4). Nevertheless, the European Union insists on strengthening administrative capacity, which is considered as bedrock for a better employment of community’s funds. Strengthening this capacity cannot be conceived without an efficiently working public administration, both in member states, as well as in the candidate ones, and such an efficiency presupposes continual adaptation of this sector through long-term strategies and improved legislative framework. This is the reason why the updated Strategy of the Romanian Government concerning accelerated reform in public administration has been adopted at the request and with the support of community’s institutions.

Perhaps the best proof of the existing indirect link between the demand for the implementation of the community’s *acquis* into Romanian law, on the one hand, and the reform of the administration and the public function, on the other hand, lies with the fact that the 2004 Report of the European Commission regarding Romania’s progress towards accession²¹ makes substantial reference to the reform measures taken towards reforming these sectors, without making any reference to an existing community’s act that Romania should implement into Romanian law. On the other hand, references are being made to the Strategy and it is stated that it represents “a good bedrock for future reforms and its implementation should be awarded priority”.

According to the Strategy for administration reform, at present, the institutions responsible for public function reform are:

- ?? **The National Agency of the Public Officials – for the management of the public function;**
- ?? **The National Institute for Administration – for continual training of public officials.** Besides the National Institute for Administration, at present, the continual training is being carried by regional centres, faculties and centres for continual training in higher education, schools and training centres within the ministries and to other central public institutions, as well as by non-governmental organisations and private institutions.

As a result of monitoring the implementation process of the legislation in the field of public function and the continual training of public officials, and also of the evolution in the management of the public function and the continual training at the European level, some problems have been discovered in the development of the public function in our country. Some legislative problems have been discovered, as well as problems concerning the management of the public function. These have led, in 2003, to amendments to the law and to strengthening the role of the National Agency of Public Officials. Law no. 161/2003 improved the legal regime of incompatibilities and the conflict of interest, applicable to public officials. In the same time, normative acts have been adopted to amend the law (carrier management, the establishment of discipline and parity commissions, professional file, code of conduct for public officials, etc.). This process of institutional and legislative development regarding the public function has carried on.

²¹ Commission of the European Communities, *2004 Regular Report on Romania’s progress towards accession*, Brussels, 6.10.2004, SEC (2004) 1200.

The public function has been taken into consideration by the ongoing reform processes, but there was never a strategy for reform concerned exclusively with the public function, in order to touch upon all aspects of this field, by which to express that decisions materialised in normative acts can only be implemented if a “professional core, stabile and politically neutral” truly existed. This aspect materialised in the lack of a an “integrated regulation” for the management of human resources in the public administration.

Table 8. The current process of reform encourages:

	Attracting the young	Mobility of employees	Improving continual training	Reducing corruption	Increasing transparency	Developing and taking advantage of potential
Not at all	9.1	4.8	0.0	0.0	0.0	0.0
Insignificant	18.2	28.6	9.5	18.2	22.7	4.5
Moderate	31.8	47.6	28.6	50.0	13.6	27.3
Pretty much	13.6	14.3	52.4	13.6	27.3	18.2
A lot	27.3	4.8	9.5	18.2	31.8	40.9
No answer	0.0	0.0	0.0	0.0	4.5	9.1
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0

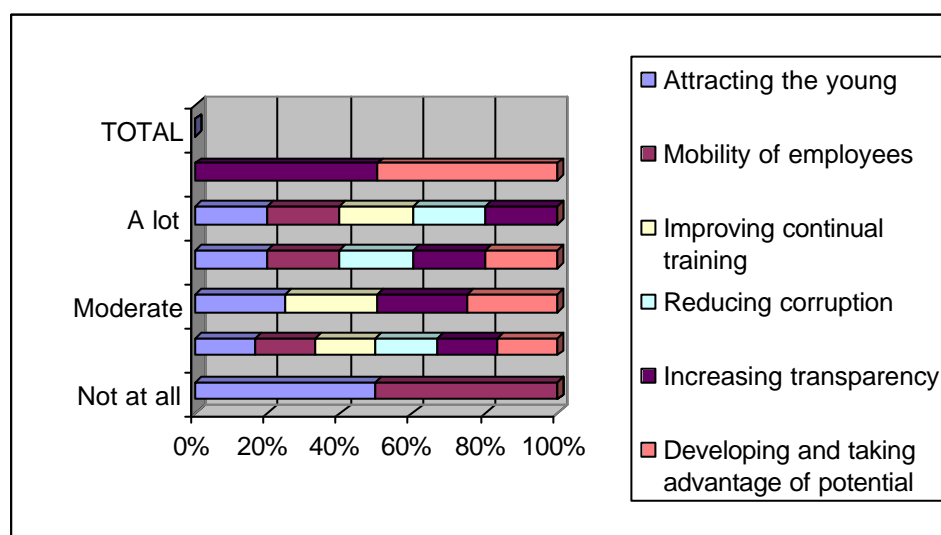


Figure 15. The current process of reform encourages:

The objectives concerning the public function will assure the development of human resources, evidently the key component of the reform. This will constitute, in turn, the support for applying the long-term reform measures.

?? In the period 2004 – 2006 **developing the management of transformation**
 ?? In the period 2007 – 2010 **stabilising and consolidating the system of public function.**
Also, in order to assure a coherent reform on short and long-term, within the strategy, a distinction is made between the measures which involve the management of human resources and developing human resources:

Political management of the reform in public administration		
	Management of human resources	Development of human resources
2004 – 2006 Strategies for the management of transformation	Developing the capacity to formulate public policies by means of <i>strengthening the role of high-ranking public officials and public officials with leadership positions</i> Implementing the legal provisions concerning the carrier of the public officials with leadership positions	Developing the carrier of high-ranking public officials - <i>developing programmes for specialised training for high-ranking public officials</i> Public officials with leadership positions - developing opportunities concerning the carrier of public officials with leadership positions through the Young Professionals Scheme; - developing a system of training for public officials with leadership positions
2007 – 2010 Strategies for stabilisation and consolidation	The management of resources in public administration (ANFP together with other institutions of public administration involved)	Formation of public officials (INA and other providers of continual training)

A real reform of the public function must pay respect to issues such as:

- ?? recruitment, selection, employment;
- ?? motivation;
- ?? improvement;
- ?? evaluation of performances;
- ?? conduct;
- ?? stability, relations with the political establishment;
- ?? communication, style of leadership and creativity;
- ?? responsibilities in the reform process of the public function.

5.1. Recruitment and selection of public officials

In the context of this study, we must explain that recruiting of personnel represents the process of search, localisation, identification and drawing of potential candidates from which to choose, by means of selection, the capable candidates that, in the end, display the required professional characteristics or correspond the most with the requirements of actual and future job vacancies.²² These clarifications are necessary as the present legislation confuses the use of these concepts.

In public administration often the problem is not who to choose for a vacant job, but from where and how to attract a greater number of competitive and motivated candidates from which to select the required persons.

Thus, the administration must establish and identify means of attracting potential candidates, which display real aptitudes and motivation for a carrier as public official. Also,

²² In this respect see Dan Anghel Constantinescu, Marinica Dobrin, Stanel Nita, Anca Nita, Managementul resurselor umane, Colectia Nationala, Bucuresti, 1999, p. 117.

there must be identified efficient way of selection, of choosing the appropriate candidates, which correspond best to the requirements of the job vacancies.

The public administration in Romania must direct the recruitment and selection of personnel toward a formal-normative system, at the expense of the real-human one.

In formulating the reform objectives concerning the recruitment and selection of personnel in public administration the initial observation was that these processes are not entirely fair, the personnel involved is not specialised and there are no performance indicators in use. Also, there is a strong influence coming from the political establishment²³ and there are many contests organised at the level of the public administration at the expense of a national contest.

Thus, the personnel involved with the management of human resources does not always posses enough knowledge to identify those candidates who are truly prepared, doing no more than simply employing the instruments for recruitment and selection essentially imposed by the legislation.

In what concerns the recruitment of personnel, we recognise that relatively few sources of information are utilised for the benefit of potential candidates, existing a real issue with transparency, a few intermediaries are utilised to assure publicity for the job vacancies, one of them – ANFP – did not succeed in centralising and posting the vacancies on the web site, the web pages of different public institutions are scarcely utilised for adequate publicity, there are few partnerships with institutions of training/improvement.

In what concerns the selection of personnel, there are still highly valued the retaining of facts, ideas etc., as proven by the explicit bibliography for contests formed exclusively by normative acts, and by the large number of subjects for the contests that assume the reproduction of paragraphs, articles from the law.

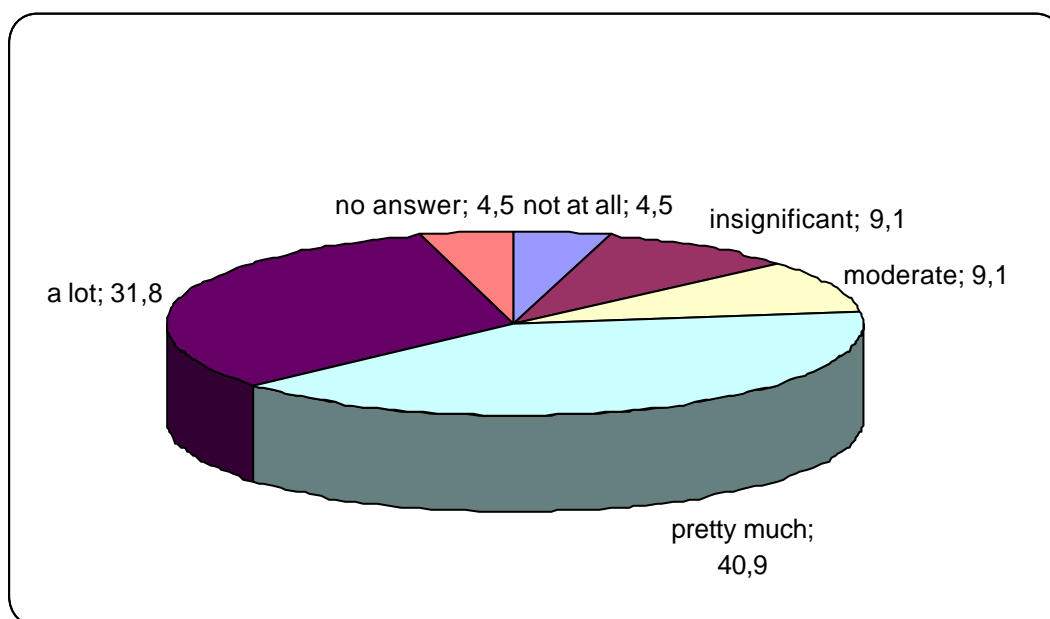


Figure 16. To what extent does the contests encourage learning by heart

²³ From „Raportul privind organizarea si desfasurarea concursurilor de recrutare a functionarilor publici pe anul 2004” (a.n. correct recruitment and selection) issued by ANFP we can observe that: in what concerns the office of General Director: Public function openings **40**; Public functions held **37**; Number of candidates **44**; Deputy Secretary General; Public function openings **6**; Public functions held **6**; Number of candidates **6**; Secretary general; Public function openings **22**; Public functions held **21**; Number of candidates **23**.

Also, case studies are seldom used, practical exercises and those that wish to identify candidates' qualifications and abilities and very rarely is there an equilibrium in the final evaluation between qualified knowledge, abilities, qualifications, character traits, this being explained by a lack of unitary recruitment and selection procedures.

We believe that externalising the recruitment process is a viable solution in the near future. Also, there is a need to limit the access to public functions for some categories of retired people and special procedures for the selection of high-ranking public officials.

One thing must be stressed with respect to the recruitment and selection of incumbent public managers. In our understanding, the employment in this function of only a particular category of graduates of training programmes is very restrictive and it infringes on the principle concerning equal access to the public function.

To conclude, recruitment and selection of personnel in Romania's public administration must be profoundly restructured, in such a way as to assure the promotion of political neutrality of the public officials and increasing the transparency of the process.

5.2. Motivating public officials

Motivation, as a psychological process, is defined as "the sum of dynamic factors that determine the conduct of an individual".²⁴ Human beings can have different reasons in approaching a certain type of behaviour; personality, social conditions, experience, group influences or other factors can have an impact over motivation.

In what concerns public administration, only too rarely is it recognised that it is in a competition with the private sector for identifying and maintaining a qualified personnel, thus, the importance placed on motivating public officials is reduced, often limited to salary and material benefits, in general.

The legislation in this area is firstly concerned with the rights of the public officials, as a basis for motivation: the right to one's opinion, the right to be informed with respect to the decisions taken when applying the Statute of the public official and which involves him/her directly, the right to association in a trade union, the right to strike, the right to salary, etc.

Observing that currently the salary level of the public officials is low, that alternative means for motivation are lacking, that no transparency exists with respect to the income of other categories of public officials, as well as the lack of compensations to assure a decent living, elements which lead to an increase in cases of corruption, to the creation of a negative image of the public official core, it has been put forward as an objective the creation and implementation of a unitary system of salary payment.

If with respect to the salary things have not evolved due to budgetary restrictions or imposed by international bodies, restructuring from the standpoint of the number of public employees has been seldom brought into discussion and even rarely applied. Very few regulations were intended with this aspect in mind in the sense of bringing the number of employees in accordance with the objectives of each public entity. Unfortunately, it has been observed that some public functions do not justify their existence.

On the other hand, the managers from the public sector, couples most frequently motivation with money and material rewards, which is also explained by inadequate management competencies.

Motivation can be achieved through a series of elements, which are linked to the expertise of the managers in the field, and it requires a reform of leadership functions and a selection based on management abilities. On the other hand, it is stringent to innovate with respect to motivation and to develop a new attitude of the managers towards their collaborators.

²⁴ N. Sillamy, *Dictionar de psihologie*, Ed. Univers Enciclopedic, Bucuresti, 1996, p. 202.

Table 9. Motivating public officials

	In a high degree	Pretty much	Moderate	Insignificant	Not at all
a. salary	31.8	27.3	27.3	4.5	4.5
b. working conditions	22.7	59.1	9.1	0	4.5
c. prospects for a carrier	45.5	22.7	27.3	0	0
d. appreciation	33.3	47.6	14.3	0	4.8
e. satisfaction for usefulness	45.5	36.4	13.6	4.5	0
f. existence of competition	22.7	31.8	31.8	9.1	4.5
g. communication within the team	45.5	45.5	9.1	0	0
h. freedom for initiatives	40.9	40.9	9.1	9.1	0



Figure 17. Motivating public officials

Thus, as motivational alternatives can be used the following (Fig. 2.3):

- ?? Appreciation, politeness, concentration on the job, informing the team, elements pertaining to the relations between individuals, which cannot be regulated;
- ?? Involvement in the work based on distributing the tasks and accomplishing an equilibrium among the employees;
- ?? Working conditions;
- ?? Competition in accomplishing the tasks.

Practically, the managers in the public sector are faced with a paradox: they must motivate their collaborators without the material and financial means, therefore the need for alternative ways of motivation becomes ever more stringent.

In this sense, it is necessary to create and implement a unitary system for requital of public officials that is motivational, simple and transparent and which should reflect the importance and the results of the activity undertaken and to allow to attract and maintain competent public officials. In order to create a unitary system of salary, the following are required:

- ?? Issuing a methodology for evaluating the positions and their specific evaluation;
- ?? Issuing more options concerning the system of salary and the estimation of financial costs, together with the Ministry of Public Finance and after consultations with of partners of social dialogue;
- ?? Finalizing the framework legislative project regarding the unitary system of salary for the public officials;
- ?? Implementing the law concerning the unitary system of salary for the public officials, in order to, gradually, increase the degree of attractiveness of a carrier in the public function by 2007;
- ?? Co-operating in the projection of rapid promotion and the system of payment taking into consideration the model developed through the programme “Young Professionals Scheme” for the strengthening of the public function, up to the highest level.

5.3. Refining public officials

Refining human resources represents the sum of processes by which, following the completion of specialized programmes, the employees improve their aptitudes, knowledge, demeanor, behavior and working techniques in which they already possess a basis qualification, with the aim of achieving their objectives and tasks to a higher degree. Thus, by refining the objective is to improve professional capacities already present.

Although the refinement represents a right and an obligation of the public officials, in the present-day, Romania's public administration is faced with constraints, most importantly insufficient resources in connection with an increase and a permanent diversification of requirements from the citizens and the economic and social milieu.

At the present moment, the main responsibility concerning the refinement of public officials falls onto the National Institute for Administration and eight regional centres co-ordinated by it.

In the context of limited financial resources, a lack of a structured network of suppliers of training in the field of public administration, a lack of a direct relation between the training of public officials and carrier development and the lack of an external system for monitoring and evaluating the quality of the training process, it has been established as a strategic objective the consolidation of the capacity of National Administration Institute with the aim of assuring the implementation of the strategic components of continual training of the public officials. At present, we must observe the magnitude of the training programmes aimed at the public officials and the efforts taken in this sense by the national and regional institutional system.

In spite of all this, it must be stated that, in our opinion, the resources destined for the refinement are not employed to their maximum efficiency, because:

- ?? There is not a coherent system and the expertise necessary to accurately identify the required level of refinement for each public institution. The criteria often employed at present are rotation and the informal relation with the heads of the institution;
- ?? There are no evaluations of the results achieved as a result of participating in the refinement programmes;
- ?? The short-term refinement courses end with the awarding of participation diplomas, which leads to lack of involvement on behalf of the participants;

- ?? the quality of lectures, seminars of refinement and the overall conditions are lagging behind due to lack of standards in the field;
- ?? the limited implication of the institutions of learning in the refinement programmes;
- ?? the limited capacity for refinement of regional centres;
- ?? The lack of refinement programmes and the development of alternative solutions (the system of e-learning for refinement) which would reduce refinement costs and would facilitate the access of a larger number of public officials.

As the principle means of consolidating the institutional capacity with the aim of assuring the implementation of strategic components of continual training of the public officials some solution could be put forward:

- ?? Developing the institutional mechanism linked with the implementation, monitoring and evaluation of the continual training process;
- ?? Developing the institutional mechanisms for connecting the actors of continual training (including the creation of unitary standards, focused working groups among experts, as well as organising periodic events in order to multiply results and disseminate good practice picked up through co-operation with external partners);
- ?? Developing INA's capacity to assure the accomplishment of continual training activities required, at the European quality standard;
- ?? Developing regional centres for continual training in local public administration from both the logistics standpoint, as well as the human resources;
- ?? Extending the net of national and international partners.

5.4. Evaluating performances

Evaluating the employees from public administration is concerned with:

- ?? Objective measurement of the results obtained in time, by the personnel;
- ?? The establishment of the possibilities for personnel's promotion;
- ?? Justifying the decision for redistribution or reduction in personnel.

In what concerns the evaluation, observing the failure in the cycle formulating the objectives – achievement – evaluation/measurement, it has been suggested to generalize the CAF (framework for evaluating the public functions).

At present CAF is known only to a few public institutions and used even in less. In what concerns the evaluation of individual professional performances they are claimed to be subjective. Although the evaluation is carried based on individual objectives, in most of the cases these objectives do not exist, because there is no capacity to formulate them or the objectives of the organization are neither clear, nor acknowledged by all personnel. Thus, evaluating individual performances represents a subjective account coming from the higher ranking, which bases his/her judgment firstly on the informal superior-subordinate relation.

Starting from this observation, it is necessary to include elements of external evaluation, based on the appreciation coming from the "customers". Likewise, the role of self-evaluation must be acknowledged as basis for increased individual professional performances.

Table 10. Elements of internal organisation – I recognise the system of evaluation and evaluate myself periodically

Indicator	Percentage
Unimportant	9.1
Not at all	4.5
Partial	36.4
To a high measure	27.3
Completely	22.7
TOTAL	100.0

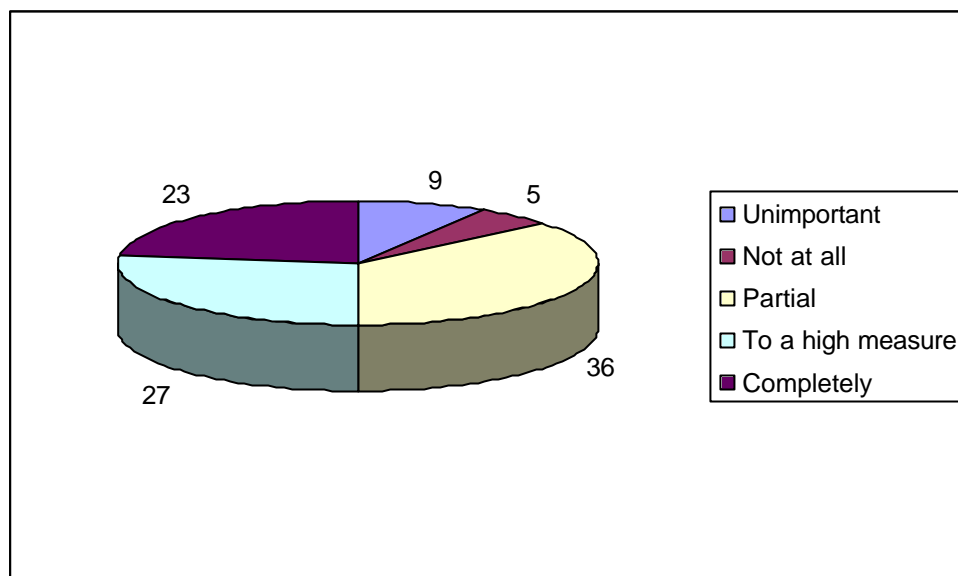


Figure 18. The level of self-evaluation

5.5. The conduct of public officials

The attitude of the public officials, their relations with the citizens and the professionalism with which they fulfil their duties represent frequent points of discussion concerning the process of reform in the administration, in the search for improving its image and efficiency.

In what concerns the conduct, one often appeals to the corruption within the system of public administration, an issue present in many international or Romanian civil society reports.

The last years saw an attempt to improve the image of public administration, by means of a greater transparency in the administrative act and firm anti-corruption measures, visible to the public opinion.

Suggestions were made concerning the establishment, starting with 2004, of the Observatory for Public Function, made up of representatives of the civil society, benefiting public institutions, trade unions and political parties, to ensure increased transparency of the administration of the public function and the independence of the public officials. Also, there were intentions aimed at reducing the phenomenon of corruption.

Table 11. Causes of Corruption

	To a high measure	Pretty much	Moderate	Insignificant	Not at all
a. legal framework	12,5	50	18,8	6,3	0
b. salary system	50	31,3	12,5	6,3	0
c. morality of the public officials	6,3	50	18,8	25	0
d. pressure from the economic environment	18,8	25	31,3	12,5	0
e. pressure from the political system	25	18,8	25	12,5	12,5
f. citizens' behaviour	25	18,8	12,5	43,8	0

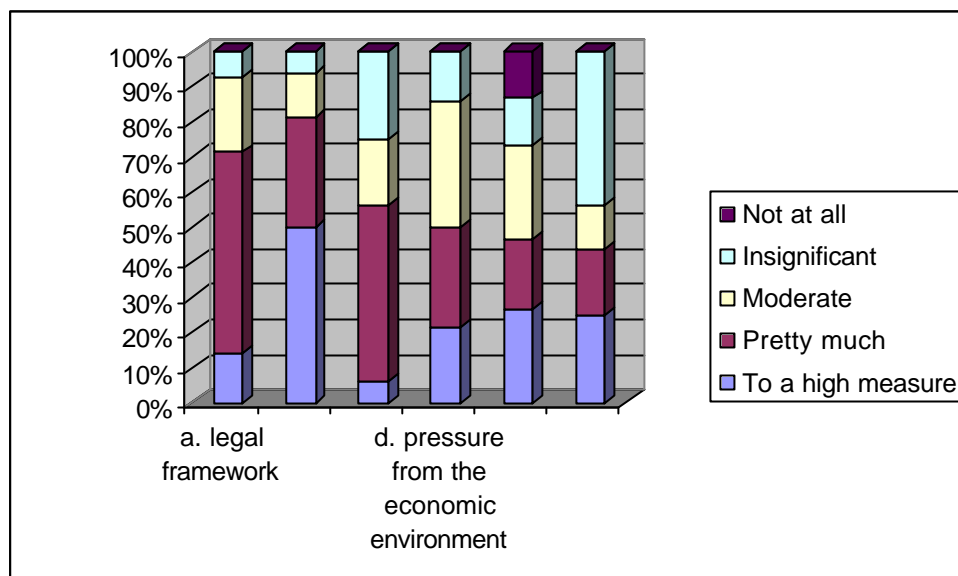


Figure 19. Causes of Corruption

The attempts of the past years, in what concerns the conduct of public officials, must be underlined, but, also, we must stress that the results are far from significant as there was no systematic approach to the phenomenon, aiming for:

1. Political engagement – the desire and the will of political power to generalise an ethical behaviour, including the power of example;
2. Legal framework – sometimes much too general and unclear, permissive and interpretable in some areas, such as auctions, acquisitions, public investments;
3. Efficient mechanisms for accountability;
4. Functional codes of conduct – the code of ethics is inefficient at the moment, furthermore, it is an instrument used to control and compel in the hands of the supervisors;
5. Mechanisms of professional socialisation, including refinement – the dominant issue in Romania's public institutions is represented by fear – to have initiatives, assertions, comments, because of the prospect of sanctions;
6. Conditions to support the activity of public services, including a positive attitude coming from the citizens – their behaviour often generates acts of corruption – and support from the business environment;
7. The existence of bodies for co-ordination;
8. Active civil society and press, which should supervise and sanction the actions of incumbents and public officials.

Breaking the norms of conduct is closely linked with the human value of those employed in the public administration, being closely knitted to the processes of selection and recruitment, which pay no attention to these aspects. Over-regulation of conduct and the threat of harsh sanctions will never solve the problem of behaviour, as it is an area that involves the self-awareness of each individual. On the other hand, the sole existence of imperative norms concerning behaviour, as it is the case here, requires the presence of a mechanism to observe the way they are being applied.

5.6. Stability in the public function, relations with the political system

Neutrality and impartiality are fundamental principles of the public function, in the sense that the incumbents must be impartial in solving problems related to their duties. The

law must create the adequate framework to assure stability in function irrespective of political changes. Unfortunately, political changes, indifferent to the legal provisions, lead to numerous replacements of public officials, especially high ranking public officials. Albeit stability is theoretically assured, we witness massive migrations of public officials every four years, generated by pressures at the political level.

On the other hand, we witness massive migration of public officials towards the private sector, especially due to the level of salary from the public administration and the limited prospect for a carrier.

5.7. Communication, style of leadership and creativity

Communication can be formalised, when based on imperative norms, and unformalised, based on interactions between individuals. In any organisation communication is idiosyncratic, being closely linked with the culture of that organisation. In Romania's public administration, unformalised communication is dominant, in many cases due to lack of procedures and clear circuit of documents. Unfortunately, the tendency is to replace horizontal communication with a vertical one, directive in form.

In what concerns the style of leadership, we witness the domination of the authoritarian style, thus the objective to realise a category of professional managers for public administration, perhaps even employed on the basis of a managerial contract, to ensure that performance is the key element in their activity, and not the political involvement.

With respect to creativity, innovation, things are far from encouraging. Managers do not encourage initiatives, employees are unwilling to assume new responsibilities. And in this situation things are connected to the managerial abilities and the organisational culture, which, in general, in the public institutions is a negative, bureaucratic one.

In these fields legislation is of no great effect, as the style of leadership or creativity cannot be imposed by normative acts, thus the change is intimately linked with the qualities and knowledge of those operating in the public institutions.

5.8. Responsibilities in the process of public function reform

The National Agency of Public Officials (ANFP) is responsible for the management of the public function, and the **National Institute for Administration (INA)**²⁵ in the area of refining human resources. ANPF is lead by a president with the rank of state secretary appointed by the Prime Minister after being proposed by the minister of administration and interior (art. 9/§ 2, Law no. 188/1999).²⁶ According to G.O. no. 624/2003 for the approval of the Regulation concerning the organisation and functioning of ANFP²⁷ the vice-president of this institution holds the rank of under-secretary of state (art. 3/§ 1). INA is subordinated to MAI and functions under the patronage of the Prime Minister.

The statute of public officials only applies to the 100,000 public officials, and not to the contract-hired personnel or to the personnel with special status. ANPF does not manage all the relevant information concerning the employees from the public sector. This situation will continue, so long there will be no public authority responsible with the gathering of data concerning the contract-hired personnel. The existence of such an authority is necessary, which should have similar responsibilities with the ANPF. It could function for a period of

²⁵ Established by O.G. nr. 81/2001 (M.Of. nr. 542/1.09.2001), aproved with amendments by Law nr. 106/2002 (M.Of. nr. 185/18.03.2002). INA is operational based on H.G. nr. 710/2002 (M.Of. nr. 519/17.07.2002).

²⁶ Republished in M.Of. nr. 251/22.03.2004; modified by: Law nr. 344/2004 (M.Of. nr. 674/27.07.2004); O.U.G. nr. 92/2004 (M.Of. nr. 1091/23.11.2004), aproved with amendments by Law nr. 76/2005 (M.Of. nr. 324/18.04.2005); O.U.G. nr. 39/2005, M.Of. nr. 430/20.05.2005.

²⁷ M.Of. nr. 410/11.06.2003.

transition, determined by law, at the end of which a single institution should be established:
The National Office for the Management of Human Resources in the Public Administration.

- This institution is justified based on the following considerations. The idea which stood at the basis of the functioning of ANPF according to Law no.188/1999 was that this institution should co-operate with all specialised departments of human resources within the public institutions (art. 22). Following the entry into force of the Statute of public officials, Law no 161/2003 appeared, concerning some measures necessary for ensuring transparency in the public activity, the public function and the business environment, prevention and the sanctioning of corruption.²⁸

In practice, the provisions of Law no. 161/2003 that were meant to rationalise activity within the public administration and to reduce the number of leadership positions, does not apply to the full. Such an Office would also be responsible for ensuring the application of the provisions of Law no. 161/2003, in such a way that the internal structures of managing the human resources within the public institutions and authorities should be standardised, in the sense of a compatible number of personnel in accordance with the objectives of the public institution.

We consider that awarding a substantial role in the process of reform to the Central Unit for Public Administration Reform represents a step forward in what concerns the efficient monitoring of this process. This Unit has, as we have revealed, responsibilities in the area of decentralisation and deconcentration, as well as the reform of public function, through the introduction of PMM and CAF. *These attributes should be better displayed*, an option to be taken into account would be to diminish them or, if the decision is made that they should be exercised at the institutional level of decision-making, *it is absolutely necessary to strengthen the administrative capacity of the Central Unit for Public Administration Reform.*

²⁸ M.Of. nr. 279/21.04.2003.

Conclusions and recommendations

The following conclusions can be drawn from the study on the decentralisation process:

- ~~✍~~ There is a considerable gap between the legal developments (both constitutional and regulatory) and the actual implementation on the ground. In theory, Romania is already a decentralised state. This statement can be supported by the following arguments: the Constitution of Romania guarantees the freedom to manage of local communities and no subordination between administrative tiers; successive primary legislation grants wide competencies to local communities in the areas of education, health care, social security, cultural action, local services management, etc. But in reality the situation is seriously lagging behind, often because of the financial arrangements. For example, the VAT transfers envisaged for funding the new competencies are done in an arbitrary and non-transparent way, without clear objective criteria.
- ~~✍~~ At local level, decentralisation has not had consistent and substantive effects so far.
- ~~✍~~ There is a favourable opinion on the decentralisation process and on the advantages it may generate.
- ~~✍~~ There is no real committed local accounting system: annual budgets are indicative and adjusted during the year depending on the revenue collected and actual payments, which determines many communities to ask for additional funding, whenever necessary, from the state (and from county) budgets.
- ~~✍~~ The state services lack visibility as far as local needs are concerned and have a tendency to be reductive in credit allocation, although these allocations are supposed to automatically finance the new competencies. This creates frustration among local officials, who are (rightly) claiming that the decentralisation stated in legal acts is insufficiently applied and ultimately depends on their ability to negotiate with the state, with all the related political risks.

Proposals:

- ~~✍~~ A fundamental issue is the need to introduce more transparency in the management of local public finances and more objectivity in the financial relations between the state and local communities. The new government programme resurrects these ideas, with special emphasis on the need for public debate on the preparation and execution of local budgets.
- ~~✍~~ Another issue experts agree on is the need to close the gap between intention and practice, i.e. to allocate sufficient funding for decentralisation. In other words, reform doesn't need to be reinvented, but rather the mechanisms for applying the principles already agreed need to be better thought through, especially the financial levers.
- ~~✍~~ A financing strategy needs to be developed, addressing both an increase of own revenues of local communities and proper state transfers, but with different weights, depending on the local community's fiscal potential. Indeed, there are some communities, especially in urban areas, with a significant fiscal potential deriving from the current economic growth and related real estate developments.

- ✍ Technical tools that allow reaching a proper balance between decentralisation and democratic scrutiny need to be implemented. In this respect, the perspectives announced by the new government regarding the publicity of budgeting (both in terms of preparation and execution) are pointing in the right direction. In order to make democratic oversight more effective, budget preparation needs to be improved - by introducing the separation of operational/current budgets and investment/capital budgets and by improving the control and audit procedures, which are compulsory checks on the new responsibilities delegated to the local elected officials.
- ✍ A set of actions for implementing the above mentioned proposals could be applied progressively in the next two years (2006-2007):
- The institutional framework designed in 2005 should be implemented in 2006. Thus, the government decision on the application of decentralisation should not raise political problems. It is a technical challenge for organising inter-ministerial work in collaboration with the local associations and civil society. An important step could be the creation of a National Committee on Local Finances, bringing together local elected officials and civil servants and chaired by a recognised local official. The first task of this committee would be the definition of the terms of reference for a database of local financed, which would allow for a better preparation of the reforms based on feasible financial simulations.
 - In 2007 a number of steps must be taken: (a) clarifying the competencies through a new law and granting financial compensation in at least two important sectors (education and social welfare). This clarification should be based on feedback from the experience of the above mentioned institutional mechanism put in practice in 2006; (b) implementing the action plan for strengthening the fiscal resources of high fiscal potential communities; (c) increasing the equalisation efforts in favour of low fiscal potential communities, by increasing the redistribution transfers from income tax revenues; (d) applying the budgetary and accounting framework modified in 2006, after verifying it in several pilot projects.
- ✍ As far as the human resource in public administration are concerned, there is a need for a new attitude to promote it in the list of reform priorities of the Romanian society. Civil service reform is far from complete and the current research reveals serious deficiencies in the HR management of the civil servants. Public administration reform must have a different approach to this key resource, and is facing a significant challenge – to decide on how to identify and develop the creative potential of civil servants. In order to reach this objective, all the elements of the HR management process – recruitment, selection, deployment, promotion based on merit and performance, proper incentives (pay combined with other incentives), training (based on organisational and personal needs), objective performance appraisal, public sector ethics, stability of the civil service - have to be properly and consistently approached. As far as recruitment and selection are concerned, the public administration has to identify and define ways to attract the best potential candidates, endowed with real skills and commitment for a civil service career. Also, new effective selection procedures need to be developed in order for the successful candidates to best match the requirements of vacant positions.

- ~~✍~~ A corps of professional public managers has to be developed, in order to push forward the reforms, to bring in a new modern approach to the work of public sector and to gradually change the style and organisational culture of the administration, in order to allow it to successfully address Romania's obligations as a full member of the European Union. This initiative has already started, with financial support from the European Union, but it must be consolidated and supported by the political leadership and at the same time it must be integrated in the administrative system, if it is to produce the expected results.
- ~~✍~~ The motivation of civil servants is generally viewed in a restrictive way, being limited to pay and other salary related rights. Alternative incentives are lacking, and there is no transparency regarding the payment of certain categories of civil servants. Civil servants could be motivated by other means but these are intrinsically related to the managers' attitude towards their staff.
- ~~✍~~ There is a wide consensus on the lack of objectivity of individual performance assessment. Although in principle civil servants are assessed based on individual objectives, most of the time these objectives do not exist, therefore some kind of external appraisal is necessary. The role of self-assessment, as a basis for improving individual professional performance, must be recognised.
- ~~✍~~ The last years were characterised by an attempt to improve the image of public administration, by means of increasing the transparency of the administrative act and taking firm anti-corruption measures that are visible to the public.
- ~~✍~~ Creativity and innovation are far from being stimulated. The existing managers do not encourage personal initiative and the employees are reluctant in taking personal responsibility for their work. This is also related to the management skills and organisational culture of the public administration institutions. As far as the leadership is concerned, we are still witnessing a prevalence of an authoritarian command and control style, heavily influenced by politics. Thus, there is an apparent need for building a core of professional public managers in the civil service, so that performance becomes the key element of their action, rather than their political affiliation.

Concluding, it can be said that public administration reform is a complex, difficult and lengthy process and it cannot succeed without the political commitment and support at the highest level (in order to overcome the natural tendency of the administration system – indeed, of any system – to resist change). At the same time, political consensus must be reached on the need for reform, because this process will have to cover the term of office of several governments, and continuity is essential for reaching the outcomes.

ANNEX I

Questionnaire presented to the representatives of the network of modernisers

1. Process of public administration reform in general

1.1. Do you consider the public administration is subjected to a process of reform?

a) no; b) in a small measure; c) in a high measure; d) radical changes

1.2. To what degree these changes coincide with your aspirations?

1 (they don't); 2 (in a small measure); 3 (in a high measure); 4 (totally)

1.3. Please state the number of reunions of the national Network of modernisers where at least one representative of the county's group of modernisers took part?

Year	2003	2004	2005
No. reunions			

1.4. Is there any information bulletin at the level of national Network of modernisers?

a) YES; b) NO

If the answer to question 1.4. is YES proceed to the following question, if the answer is NO proceed to question 1.6:

1.5. To what extend does the information bulletin rise up to your expectations:

1 (in a small measure) 2 3 4 (in a very high measure)

1.6. Please state the main strong-points of the national Network of modernisers:

.....

1.7. Please state the main weak-points of the national Network of modernisers:

.....

1.8. Please state the number of members from the modernisers' group at the level of the county/ministry:

a) at the end of the last year

b) at present

1.9 Please state the number of new-comers in the modernisers' group for the period January – June 2005

1.8. Have you applied at the level of your institution the CAF?

a. yes ; b. no

1.9. How would you judge the use of the Multi-annual Modernisation Programmes at the level of your institution?

a) a bureaucratic activity, which doesn't support the reform;

b) an instrument of modernisation that is difficult to apply in the present conditions;

c) an efficient instrument for the modernisation of the public administration.

1.10. Please state to what extent has the use of the Multi-annual Modernisation Programmes improved the following elements at the level of your institution:

	In a high measure	Pretty much	Moderate	Insignificant	Not at all
a. internal organisation					
b. management of human resources					
c. employment of methods and instruments of public management					
d. introduction / expansion of the use of new forms of communication and information technology					

1.11. How would you rate the activity of the main actors involved, in accordance with the Strategy of public administration reform:

	unsatisfactory	satisfactory	good	Very good
GOVERNMENT				
MAI				
MFP				
ANFP				
INA				
UCRAP				
UPP				

2. The reform of public function

2.1. How do you appreciate the measure in which the contests for employment or promotion in the public function encourage the following mental activities?

	In a high measure	Pretty much	Moderate	Insignificant	Not at all
a. Learning by heart facts, ideas or methodologies from the manuals or normative acts with the purpose of repeating them, unchanged					
b. Analysing the main elements of an idea, experience or theory					
c. Summarising and organising ideas, information and experiences in interpretations and new and complex connections					
d. Determining the real value of information, arguments or methods of analysis (e.g. Examining how others have collected and interpreted certain data and evaluating the strength of their conclusions)					
e. Applying theories or theoretical concepts to practical problems or new situations					

2.2. If you had the possibility of starting anew, would you still choose to work in a public office?

a. without a doubt, Yes; b. probably yes; c. probably no; d. without a doubt, no

2.3. Where do you see yourself working in 5 years from now?

a) in the same institution, in the same position

- b) in the same institution, in a different position
- c) in another public institution
- d) in the private sector, as employee
- e) in the private sector, with my own business
- f) retired
- g) others

2.4. The actual process of public function reform encourages:

	In a high measure	Pretty much	Moderate	Insignificant	Not at all
a. Attracting the young to the public function					
b. A higher mobility for the employees in the public function					
c. Improving the continual training of the public officials					
d. Reducing corruption at the level of the public administration					
e. Increasing transparency in the organisation and unfolding of the contests for employment at the level of public officials					
f. Developing and valuing the potential of public officials					

2.5. What is the most important aspect when employing in your institution?

- a. specialised knowledge
- b. informal relation with employees
- c. political sympathy
- d. kin relations
- e. other

2.6. To what extent do political changes generate technical changes:

	No changes	Insignificant	Significant	To the highest extent
At the leadership level				
At the executive level				

2.7. Are responsibilities concerning the reform of the public function mentioned among your duties?

- a) totally; b) in a high measure; c) partially; d) not at all

2.8. How much time do you invest in solving the problems related to the reform process?

- a) everyday an insignificant part of the program;
- b) occasionally, depending on requests;
- c) a significant part of the daily program;
- d) most of the working program.

2.9. Which one of the following elements represents motivational factors for you?

	In a high measure	Pretty much	Moderate	Insignificant	Not at all

a. salary					
b. working conditions					
c. perspectives for a successful carrier					
d. recognition of the work by your leaders					
e. satisfaction for achieving useful things for the community, society					
f. existence of a permanent competition within the institution for a high quality activity					
g. communication within the team you are a part of					
h. freedom for initiatives					
i. others					

2.10. Have you taken long - or short-term courses in the last year?

a) yes; b) no

If the answer is YES please answer questions 2.11-2.14, if the answer is NO please skip to question 2.15 :

2.11. Where did you take these courses?

a. at the work-place

b. at INA

c. at the Regional Centres for continual training in public administration

d. at institutions of higher education

e. at refinement centres

f. others

2.12. Did this course have any effect on your work?

a) very great; b) great; c) partial; d) not at all.

2.13. How do you rate the quality of the courses you took judging by the following elements:

	In a high measure	Pretty much	Moderate	Insignificant	Not at all
a. the structure of the course					
b. studying conditions					
c. content of the course					
d. interactive course?					
e. much too theoretical approach					

2.14. Who paid for these courses?

a) the institution, in full;

b) the institution, partially;

c) own sources;

- d) sponsorships;
- e) external support;
- f) others.

2.15. What are the criteria used in your institution for nominating the participants in the refinement courses:

- a. informal relations with the head of the institution;
- b. good working results;
- c. lack of performance;
- d. good-will of direct leaders;
- e. rotation;
- f. others.....

2.16. Would you consider the actual system of evaluating the individual professional performances as objective?

- a) yes; b) no

2.17. If no, what elements would you appreciate necessary to change things?

- a. the evaluation to be made by external, professional evaluators;
- b. renouncing the system of evaluation;
- c. combining internal with external evaluation;
- d. others

2.18. Elements of internal organisation

Nr		Compl etely	In a high measur e	Partial ly	No t at all	unimport ant
1	The aims of the organisation are clearly stated and known to all					
3	The values of the organisation are clear for us and we know its performances					
4	I know well what values my organisation appreciates the most					
5	My entire organisation knows the decision-making rules					
6	I tell of these rules to the leaders, when not applied					
7	Each part of the organisation knows its rules and responsibilities					
9	Organisations' resources are sufficient					
10	I have the necessary resources to carry on an effective activity					
12	I have assured access to necessary information					
13	The organisation has established the objectives and strategy well in advance					
15	Before adopting the strategy, different alternatives are analysed					
16	Before fulfilling a duty, I evaluate the consequences of my actions					
17	There is a clear budget and a program of the organisation; they are pursued in full					
18	I know the budget for this year and the one allotted to me					
19	The organisation has a system for evaluating performance					
20	I recognise the system of evaluation and evaluate myself periodically					

2.19. How do you appreciate your relations with:

	Very good	Good	Satisfactory	Unsatisfactory
Team mates				
Colleagues from other departments				
Direct leader				
Head of the institution				
Clients				
Other similar institutions				

2.20. Do you consider corruption a real problem of Romania's public administration?

a) yes; b)no

2.21. If so, what elements do you consider supporting it:

	In a high measure	Pretty much	Moderate	Insignificant	Not at all
a. legal framework					
b. salary system					
c. public officials' morality					
d. pressure from the economic environment					
e. pressure from the political system					
f. citizen's behaviour					

3. Personal data

3.1. Sex

a) male; b) female

3.2. Age of.....years

3.3. On what position do you carry your activity?

.....

3.4. In what institution / department do you carry your activity?

.....

3.5. Years of employment with the system of public administration:

a. less than 5; b.5-10; c. 11-15; d. over 15 years

ANNEX II

Questionnaire presented to mayors

1. The process of public administration, in general

1.1. Do you consider the public administration is subject to a comprehensive process of reform?

a) no; b) in a small measure; c) in a large measure; d) radical changes

1.2. To what extent the actual changes at the level of public administration coincide with your expectations:

1 (they don't); 2 (in a small measure); 3 (in a large measure); 4 (totally)

1.3. Do you consider the public administration reform to be heading the right way?

a) Yes; b) No.

1.4. How did you find out about the Strategy concerning an accelerated reform of the public function:

a) I took part at the local conference where the Strategy was launched;
b) from the local press;
c) from the central press;
d) from other sources.

1.5. How do you appreciate your working relations with the technical apparel from your institution?

a) unsatisfactory;
b) satisfactory;
c) good;
d) very good.

1.6. To what extent are you satisfied by the quality of the services offered by your institution to the citizens by the institution you represent?

a) totally unhappy;
b) in a small measure;
c) in a large measure;
d) very happy.

1.7. How do you consider Romania's accession to the EU will influence the development of your community in the next five years?

a) negative;
b) no significant influence;
c) positive.

1.8. Do you consider that, at the level of the community you represent, the economic milieu is prepared for the use of structural funds?

a) Yes; b) No; c) Don't know.

1.9. Is there a strategy for local development at the level of the community you represent?

a. yes
b. no

1.10. If no, who do you consider responsible for its drafting?

	In a very small measure	In a small measure	In a large measure	In a very large measure	Not at all
The mayor					
Local council					
The prefect					
The government					

Civil society					
Economic milieu					

1.11. Are there any specially designated persons in your institution with the responsibility of tracking the implementation of the reform measures in public administration?

a) Yes; b) No

1.12. If yes, who?

.....

2. The reform of local public administration

2.1. How would you appreciate the following aspects in the life of your community, at present and in five years time?

	Unsatisfactory		Satisfactory		Good		Very good		Not the case	
	P	5	P	5	P	5	P	5	P	5
Roads										
Community's sanitation										
Straying dogs										
Water supply										
Gas supply										
Public transportation										
Household heating										
Playgrounds										
Household warm water										
Leisure places										
Jobs										
The poor										
Schools										
Public safety										
Discipline in constructions										
Environment protection										
Housing										
Relation between authorities and citizens										
Public illumination										
Food-markets' organisation and functioning										
Companies and advertisements' exposure										
Hospitals										

Obs. P – present; 5-in five years time.

2.2. In your opinion, according to the actual level of decentralisation please state to what extent can the local public administration fulfil the following functions:

	In a very small measure	In a small measure	In a large measure	In a very large measure
Administration and management of the public goods and funds at the local level				

Supplying public services, such as health-care, social assistance, education, culture, defending public order, civil protection and other public services				
Forecast and economic and social development				
Management				

2.3. To what extent does the actual system of financing the local public services coincide with your needs?

- a) not at all;
- b) in a small measure;
- c) reasonably;
- d) in a very large measure.

2.4. Would you consider there is transparency in implementing the decentralisation mechanism?

- a) Yes; b) No.

2.5. In the course of your mandate did you make any suggestions to support the decentralisation process?

- a) Yes; b) No.

If the answer to question 2.5. is YES proceed to the next question, if the answer is NO proceed to question 2.8:

2.6. Please state few of these, as well as the institution to which they have been sent.

.....

.....

.....

.....

2.7. Were these suggestions taken into account by the involved institutions?

- a) they were not taken into account;
- b) mostly not;
- c) mostly yes;
- d) totally.

2.8. How would you rate the actual centralised management system of the public function through the ANFP:

- a) unsatisfactory;
- b) satisfactory;
- c) good;
- d) very good.

2.9. Are there any externally financed projects at the level of your institution?

- a) Yes; b) No.

2.10. Are you aware of the existence of a decentralised public service from the central level to that of local communities, in the last 4 years?

- a) Yes; b) No.

2.11. If yes, which one:

.....

.....

2.12. In your opinion, local development must be concerned with:

	YES	NO	Don't know
Environment protection			
Social development			
Economy and the market			
Education and training			
Institutions and regulations			
Land management			
Research and development			

2.13. Are there, at the level of your community, public services whose decentralisation from the central to the local community level will lead to better services for the citizens?

a) Yes; b) No; c) I don't have enough information to pronounce myself.

2.14. Are there public services that should be carried by the private sector?

a) Yes; b) No; c) I don't have enough information to pronounce myself.

2.15. Did you have any concrete initiative towards local development of the community you are a part of?

a) Yes; b) No; c) I don't have enough information to pronounce myself.

2.16. If Yes, what was it about?

.....

2.17. If No, what was the main reason that prevented you from having a local development initiative?

.....

2.18. In your opinion, should the citizens be directly involved in decision-making process that is relevant for local community? Please argue.

a) Yes; b) No.

.....

2.19. How do you appreciate your relations with:

	Very good	Good	Satisfactory	Unsatisfactory
Leadership personnel				
Executive personnel				

Citizens				
Economic milieu				
Other similar institutions				
Local council				

2.20. Do you consider corruption as a real problem for the public administration in Romania?

a) yes; b) no

2.21. If yes, what elements do you consider to favour it:

	In a large measure	Pretty much	Moderate	Insignificant	Not at all
Legal framework					
Salary system					
Morality of public officials					
Pressure from the economic milieu					
Pressure from the political system					
Citizens' behaviour					

3. Personal information

3.1. Sex

a) male; b) female

3.2. Age of.....years.

3.3. Please state the number of inhabitants from your community?

.....

3.4. What was your occupation before getting elected?

.....

3.5. Level of education

a) high school;

b) higher education.

3.6. Please state the number of mandates as mayor.

.....

BIBLIOGRAPHY

- [1] Alesina A., Perotti R., *The Politics of Economic Growth*, Harvard University, Cambridge, Working Paper, n° 4341, Cambridge, 1993
- [2] Alesina A., Perotti R., *Income Distribution. Political Instability and Investment*, NBER Working Paper, n° 4486, Cambridge, 1993
- [3] Andrei T., *The Costs of Security of Aspiring Countries - Quantitative Models*, NATO, Working Paper, Brussel, 2002
- [4] Azam J.-P., *How to Pay for the peace? Atheoretical Framework with References to African Countries*, Public Choice, 83, p. 173-184, 1995
- [5] Azam J-P, *Risque politique et croissance en Afrique*, communication au congrès de l'AFSE, Paris, 1995
- [6] Balls A., *Bombing costs present allies with hefty bill*, Financial Times, 9 avril 1999
- [7] Bardhan P., *Corruption and development: a review of issues*, Journal of Economic Literature, Vol.35, n° 3, 1997
- [8] Barro R., Lee J.-W., *Losers and Winners in economic Growth*, NBER Working
- [9] Barro R., J., *Economic growth in a cross-section of countries*, Quarterly Journal of Economics, vol. 106, p. 407-443, 1991
- [10] Besnainou D., *Les fonds structurels: quelle application aux PECO?, Transition et élargissement*, Economie internationale, Nr. 62, 1995
- [11] Blanchard O.-J., Fischer S., *Lectures on Macroeconomics*, MIT Press, 1998
- [12] Buffotot P., *La défense en Europe-Les adaptations de l'après-guerre froide*, Edition 1989, Notes et Etudes documentaires n° 5064-65, Paris
- [13] Chevallier A., Lemoine F., Nayman L., *L'Union européenne et sa périphérie. Conséquences de l'intégration commerciale de l'Europe centrale*, Revue Economique, N° 6, 1999
- [14] Fischer S., Sahay R., Vegh C., A., *How far is Eastern Europe from Brussels?*, IMF working paper, nr. 98/53, avril.
- [15] Germanangue-Debare M., *Les pièges de l'économie souterraine*, Le Courrier de l'UNESCO, juin 1996, p. 22-24
- [16] Graf L.M J., *Transparency International Corruption Index, Responding to the Challenges of Corruption*, Act of the International Conference, Milan, 19-20 November 1999, p.257-277.
- [17] Gupta S., Luiz de Mello, Sharan R., *Corruption and military spending*, European Journal of Political Economy, vol. 17, 2001, p. 749-777
- [18] Gupta D., *The Economics of Political Violence*, Praeger, New York, 1991
- [19] Mauro P., *Corruption and growth*, Quarterly Journal of Economics, Vol. 110, n° 3, 1995
- [20] Mauro P., *The Effects of corruption on Growth, Investment, and Government Expenditure*, FMI, Washington, 1996
- [21] Mauro P., *La corruption: causes, conséquences et recommandations*, Finance et développement, volume 35, n° 1, mars 1998.
- [22] Paul L. Hutchinson, Anne K. LaFond, *"Monitoring and evaluation of decentralization reforms in developing country health sectors"*, Tulane University, 2004
- [23] Proftiroiu M., *Managementul strategic al colectivitatilor locale*, Editura Economica, Bucuresti, 2003
- [24] Rondinelli, D.A., J.R. Nellis, G.S. Cheema, *"Decentralization in Developing Countries: A Review of Recent Experience."* Staff Working Papers Number 581. Washington, D.C.: World Bank, 1983.
- [25] Rondinelli, D.A. *"What is Decentralization?"* In Litvack, J. and J. Seddon (eds.). "Decentralization Briefing Notes", Washington, D.C.: Word Bank Institute, 1999.

- [26] **Rose-Ackerman R.**, *The economics of corruption*, Journal of Public Economics, n^o 5617, June 1975
- [27] **Tanzi V.**, *Corruption Around the World: Causes, Consequences, Scope and Cures*, IMF, 1998
- [28] **Wei Shang-Jie**, *Corruption in Economic Development: Grease or Sand?*, Economic Survey of Europe, 2001, n^o 2, United Nations
- [29] **Yost D.**, *NATO Transformed. The Alliances's New Roles in International Security*, United States Institute of Peace Press, Washington, DC, 1998
- [30] *** *Human Development Report 1990,...,2001*, Published for UNDP, Oxford University Press, 1990,...,2001
- [31] *** *Law on Local Public Administration no. 69/1991, Government Ordinance no.15/1992 on Local Taxes, and Law no.27/1994 on Local Taxes*, Bucharest
- [32] *** *Regular Report on Romania's progress towards EU accession*, Brussel, 2004
- [33] *** *World Development Report 1993*, Published for the World Bank, Oxford University Press, 1993