PUBLIC ADMINISTRATION REFORM IN ROMANIA

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Abstract: When considering the 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. This article is aimed at approaching these ideas in the context of the impact of the reform process on the public administration in the recent years. The major challenge for local authorities 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.

Key words: public administration, reform, decentralization

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.

Public administration reform 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.

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 decentralization/de-concentration process of public services - and central government reform – aimed at improving the policy formulation process.

A coherent and credible public administration reform 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 modernizers 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.

In order for public administration reform 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 organizational 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 behavioral factors (lack of individual incentives, misunderstanding of overall objectives, frustration, expectation behavior).

Decentralization 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 decentralization by three directions:

⇒ Continuation of the decentralization, 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 decentralized services under the authority of local authorities.

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

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

Administrative decentralization is, 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.

In the current context of public administration reform, decentralization and deconcentration, as part of the administrative decentralization, are considered a priority, noting that the decentralization 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 decentralization, local autonomy and deconcentration of public services". At the same time, the fundamental law 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 years, Romania has made important progresses in the area of decentralization. The process went through four stages. In the first stage (1991-1994)[8] 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 decentralization 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 from public services or utilities[9].

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 decentralization and deconcentration processes. For implementing this strategy, a legislative package was drafted to support the entire process (the Framework Law for Decentralization 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 Decentralization).

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 mobilizing interest of citizens, professionals, political representatives and civil servants in making the reform

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

[9] Law no. 326/2001 on publioc community services, Government Ordinance (GO) no. 86/2001 on local passangers 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 tha management of urban and rural communities, GO no. 32/2002 privind on that public services for water distribution and sewage, GO no.71/2002 on setting up local public services for the management of public and pritate domains of local interest..

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.

Conclusions

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 decentralized 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, decentralization has not had consistent and substantive effects so far, but is a favorable opinion on the decentralization process and on the advantages it may generate.

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 decentralization stated in legal acts is insufficiently applied and ultimately depends on their ability to negotiate with the state, with all the related political risks.

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