

A Decision-making Model for Public Management. The Existence of a Policy Framework for Performance in Romania

Emanuel RĂUȚĂ*

*National University of Political Science and Public Administration
Agora Est Consulting*

Abstract: This article aims to assess the public management reform in Romania against a set of management measures that set a framework for performance in public administration. The article is looking at the bulk of reforms that were implemented in the last years and analyses the progress based against a theoretical framework made of four key elements: strategic planning – managerial planning – public policy analysis – transparency and quality of services. In its theoretical section, the article reviews the literature on performance management by highlighting its main characteristic. The case study reviews the state of affairs in Romanian public management reform, aiming to offer the reader a picture of the reform process. It tries to test the hypothesis that, for the reform process to be successful, the Governments will have to adopt a full decision-making framework of strategic planning, managerial planning, transparency and quality, based on a very clear roles and responsibilities of the key actors in the process and considering the experience and administrative background of the Romanian public administration which is a legalistic administrative tradition. A conclusion is that a performance framework is not yet functional in Romania, due to the resistance of public administration to adopt key elements of the performance reform process, to the fact that the reforms so far were only partially implemented, and in correlation with a normative and legalistic administration with limited openness for adoption of new public management elements.

Keywords: *decision making, performance, strategic planning, managerial planning, quality standards.*

Context

A popular British sitcom from the 80's, *Yes, Prime Minister*, depicts very well the conflict between the need to adopt

performance measures and the rigidity of public administration, which refuses to improve the management of public institutions. Public service is presented as an obstacle to progress.

* e-mail: emanuel.rauta@agoraest.ro. Emanuel Răuță is a PhD candidate in Political Science at the National University of Political Studies and Public Administration (i.e. NUPSPA). He holds a BA degree in Political Science (NUPSPA) and an MA degree in Communicational Studies and Political Marketing (NUPSPA). He lectures at NUPSPA in the field of Project and Business Management. Since 2009, he is the Research Director of Agora Est Consulting.

The formalism of the Home Office representative is illustrative for the Weberian model of administration. Traditional bureaucracy or the *old regime* were very well defined by the words of a high ranked civil servant from the Home Office who defines himself as a '*moral vacuum*'. Mere formalism and legal procedures are the means of running administration, in contrast with the need for reforms and setting improvement targets. Related to the last phrase, one character in the movie says that 'government is not about morality but about stability'.

Civil servants are the state guarantors for law implementation in the classical theory of public administration. They will not formulate any value judgments regarding management or performance, or the opportunity of Government decisions. According to the traditional view, obeying the law is a key attribute of public employees. Since the 1970s, Governments faced tremendous economic and social problems and had to re-evaluate their public administration performance against a different set of criteria. Design and law implementation is not enough and it becomes obvious that better skills, vision and mandate and new management techniques are needed for the Governments to improve the management of public services and to cope with challenges of unemployment, health, jobs deficit, increasing number of dependent people. Politicians urged for performance measures to be adopted and public administration reforms to be initiated, both at the pressure of their societies or international organizations, with the aim to cope with the economic and social crisis.

Since the 70s, a number of reforms

were adopted, most of them aiming to reduce the size of public administration, to improve transparency and stimulate policy making in partnership with other society stakeholders, to improve strategic planning and public organizational management, with the objective to improve democratic governance and provide citizens greater access to services and better quality of life.

Improvement of public management processes was commonly agreed to be a process of adoption of market mechanisms and private market instruments, means to the ends of producing changes of public institutional arrangements, including sometimes radical reforms consisting in elimination, reducing, collaborating and privatizing.

In the process to improve public management there is an increased need to develop different managerial skills for public administration employees, to help them deliver against the new performance objectives. The need for performance is based on the new challenge of Governments to improve their accountability and increase their efficiency, in order to improve the management of public goods and quality of public services.

The improvement of Governments strategic planning capacity is an instrument which leads to better resource management. Strategic planning capacity of Governments will be functional when it has a set of other elements which turns strategy into practice. A set of questions need to be addressed before launching a hypothesis:

Would the improvement in strategic planning leads to the improvement of the overall performance of public administration? What would strate-

gic planning efforts be without operational and business planning capacities in place to support implementation of strategies? Are quality frameworks instruments to lead and improve management planning within public organizations and link citizens preferences with public objectives? Are these elements able to respond to the overarching objective to produce qualitative public services for the citizens? Citizens and groups/communities preferences are taken into account in management programming and strategic planning processes? Should public policy analysis represent the horizontal process supporting public planning and managerial programming?

Model and Hypothesis

Traditional public management is in conflict with new public management, especially because the latter is rather focused on *performance* (efficiency, value for money, measuring performance with indicators), while the first is focused on *legality*. This conflict is often created by an insufficient understanding of the role of public administration and the means and instruments the latter uses in the process of *doing* public management. The conflict is less visible in the last years, because of the increasingly *accepted* managerial role played by public administration and because Governments have become a more important factor in the development process, due especially to its increased regulatory functions and a greater impact of regulatory policies in times of economic crisis. Distance between public and private management has reduced in the new environments.

States are forced by the economic context and financial constraints to adopt conservative spending policies, thus making more challenging the task of managing resources to support delivery of public services and functioning of state apparatus. This led to the adoption of performance measures, sometimes by borrowing mechanisms and instruments from the private market. Traditional management has been challenged by financial and procedural constraints requested by the World Bank/IMF, European Central Bank or other international funding agencies.

The issue of public management performance has also been debated by academic community, politicians and civil servants, from the apparition of public choice models to the development of the new public management theory, all with the mandate to reduce public spending, to reduce size of Governments and to privatize as much as possible the delivery of services (Hood, 1991) to improve quality of public work. Recently, they evolved in theories on public governance (Osborne, 2010) and theories of neo-weberian state (Pollit and Bouckaert, 2004) as attempts to explain how public management works and how it can still be legitimate for the governance theory.

Public management has evolved from the weberian model and new public management towards public governance and neo-weberian theories. New models allocate different roles to public administration and the non-state actors and indicate an increase in the impact international donor organizations have on pushing the performance reform (Lynn, 2008).

Discussions are different in Europe

and in the United States. In a critique of the neo-weberian state theory, Lyn is discussing how state-centered is the neo-weberian state and how much does it borrow from the society-centered models of public governance, since global capitalism and international organizations are changing the public administration management. The debate is useful, since it gives grounds to explain how the mix of reform models and debates on the theory of the state influence the quality of public management and provides instruments to improve public services.

All these theories have in common a set of elements (Pollit and Bouckaert, 2004):

- The shift from an internal orientation towards bureaucratic rules towards an external orientation towards meeting citizens needs and wishes.
- The modernization of the relevant laws to encourage a greater orientation on the achievement of results rather than merely the correct following of procedure.
- The professionalization of public service, so that the bureaucrat becomes not simply an expert in the law relevant to his or her sphere of activity but also a professional manager.

These characteristics, that still belong to a Weberian definition, articulate a new definition of the state (a more managerial state), tells the need to improve public services and, very important, promote the re-empowerment of the administrative law.

Oxford Handbook of Public Management argues that countries adopt

global rules and management procedures according to constitutions, institutions, administrative cultures and economic circumstances (Ferlie, Lynn and Pollitt, 2005:721).

For the model analyzed in this article, *neo-weberian* elements are used to streamline decision-making at Government level. The assumption is that performances possible when strategic planning and strategic management processes are linked together with policy analysis and transparency. Poister provides a few elements able to link strategic with managerial planning (Poister, 2010:249):

- Identifying and monitoring appropriate performance measures to track progress in implementing strategic initiatives and achieving strategic goals and objectives.
- Assessing performance data.
- Aligning budgets with strategic priorities, allocating resources to fund new strategic initiatives Incorporating goals and objectives related to the strategic plan in individuals' performance planning and appraisal processes and rewarding contributions to the advancement of strategy as possible.
- Promoting the agency's vision and strategic plan internally to mobilize commitment throughout the organization.
- Communicating strategy to external stakeholders and soliciting their assistance in advancing strategy as needed.
- Emphasizing consistency with strategy in proposals, requests, and other external com-

munications to build credibility and support on the part of governing bodies, oversight agencies, and other key constituencies

A more complex model might include policy assessment process/impact assessment as key pillar. Public policy cycle can contribute to the quality of decision making by collecting problems from society and push them to the public agenda. Evidence based policies and improved regulation formulation (law, other regulation instruments) are instruments to improve the transfer of strategic planning into managerial planning.

A decision-making framework for performance will therefore have to start from the strategic level, use policy making as a tool to formulate impacts, will translate the objectives into con-

crete measures at the level of managerial planning and consider consultation and setting quality standards as the legitimate stages of the model.

The features of the model above can be found in the debates regarding public performance, improvement of governance, better regulation and transparency. One should consider that each state has its own model of public management and public performance. OECD has observed a very diverse range of models and noticed different models are consistent with different public administration models, in line with the constitutional regimes, Parliament and Executive relations. Normative and legalistic elements of Napoleonic states are quite different from Germanic and Anglo-Saxon models (Osborne, 2010). While Anglo-Saxon tradition of public management is re-

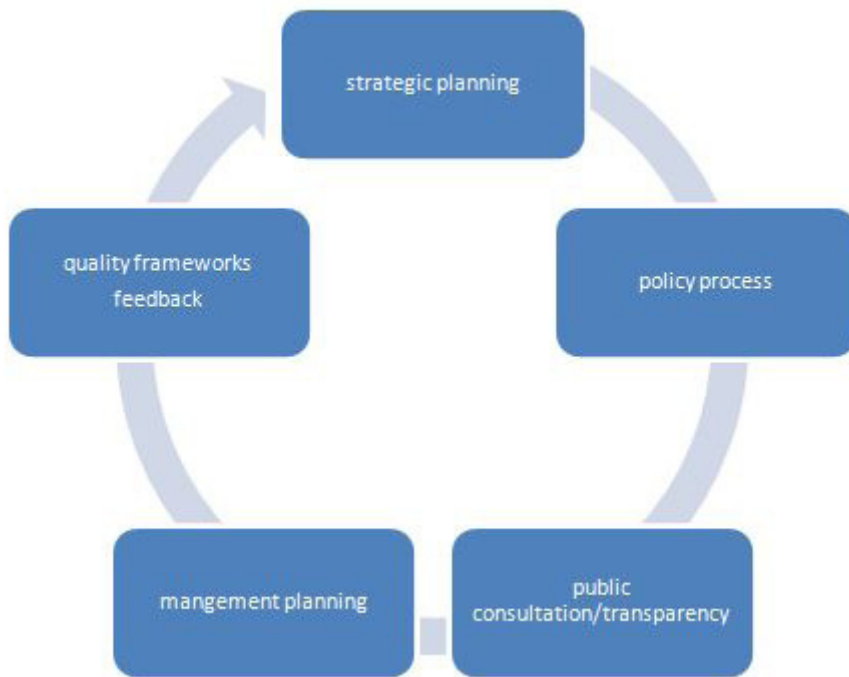


Figure 1. A continuous decision-making model



Figure 2. Sub-components of a decision-making model of performance

sult oriented and very willing to adopt instruments of the *neo* approach, the Napoleonic states are rather oriented towards norms and legal codification, making the adoption of flexible and market oriented performance models very difficult. However, recent studies (Bouckert and Pollit, 2010) reflect an increased ‘appetite’ for reforms in legalistic systems.

The hypothesis is that, a condition for a performance driven public management system is a functional decision-making model based on objectives definition in a strategic planning framework, managerial performance to properly implement the objectives, policy analysis to assess the impact of objectives and a wide and articulate participation of different groups of stakeholders in society to legitimate the objectives. Similar decision models are successful in administrative regimes which favor the adoption of new public management types of reforms. Defined as a legalistic administrative system, Romania has applied partially some

measures under international pressure but a fully functional decision-making model has not been yet adopted and implemented. One of the reasons is the very rigid and legalistic administrative system and the lack of internalization at public administration levels of different performance reforms that were adopted since Romania has started its European accession. The conclusion is that a decision making framework as described above can work if its elements will be adopted and will be fully understood by all responsible structures within public administration. Application of performance decision-making models has the role to provide evidence for public administration institutions by analyzing the existence of three layers (strategic planning, policy making, and managerial planning) and drawing a set of conclusions and policy recommendations based on the existence and application of the three elements.

This model is not new but it links together strategic planning with internal institutional management by using

impact assessment, quality standards and public consultation as instruments to translate performance indicators into the institutional management.

Theoretical discussion

Public Management

Public management has become more important with the impact of private management models on the academic and the public debate on performance of public institutions. The debates on public performance were of major importance for the public reforms in the late years. Performance seems to be of interest for different fields of institutional debate, from Lipjhart work on the performance of democracy and executive regimes to the case studies on performance coordinated by OECD in the last 20 years, and the new debates on the need to link strategic planning to performance management and not only to measuring performance (Poister, 2010) in order to have a full picture regarding what is expected from the public management and what is the meaning of *governance* in the actual debate.

Performance management and strategic planning

The debate on the performance of public institutions is not new. But starting with the 70's, Governments started to show a real concern on the topic. Hence, new public management in the late 80s, generated an intense debate between the issue of preservation of traditional public administration and the pressure to reduce size and cost of

government.

With new public managements struggling to impose and the economic crisis, a new model of public management is it shaping today. It matches the economic elements of the new public management theory, consisting in conservative fiscal policies and pressure to decrease public spending.

Conservative fiscal policies, managerial instruments and new institutional models are applied by Governments to build economic growth and prosperity for citizens. They need to take into account the concepts of accountability and performance of public administration and these depend on a series of factors: administrative traditions, executive relations, existence of third party stakeholders, constitutional arrangements. These factors have different influences from country to country and are key factors to explain performance in public administration.

The new public management reforms are based on austerity policies in Government spending and import institutional models from private sector. It requires strong planning skills and performance measures (indicators, measurement, standards) to produce real impact on economies. It also requires administrative capacity to plan on medium and long terms, based on strategic planning models.

Strategic planning, defined as 'a set of concepts, processes, and tools for shaping what an organization (or other entity) is, what it does, and why it does it' (Bryson, 2004:6), is the most crucial process in the reform logic. In the long run, its purpose is to promote strategic thinking, acting, and learning on an ongoing basis and to lead the reform of public administration. In

the opinion of some authors, 'strategic planning takes a 'big picture' approach that blends futuristic thinking, objective analysis, and subjective evaluation of values, goals, and priorities to chart a future direction and courses of action to ensure an organization's vitality, effectiveness, and ability to add public value' (Poister, 2010:8).

A subcomponent of strategic planning, strategic management, is defined as 'largely a matter of utilizing and coordinating all of the resources and venues at top management's disposal, enforcing a kind of unidirectional alignment among them in the interest of advancing the strategic agenda' (Poister and Van Slyke, 2002).

The academic and policy tradition of performance theory is rich and helps us understand why new models are necessary and why in the same time, traditional principles of management need to be revisited. One of the initiators of performance literature, Pierre, is using the model of input / output, taking the model from public policy and management discipline where it was applied to programs or institutions and individual organizations. He believes that public management exists to *fulfill certain socio-economic needs of the citizens*.

Institutions have to meet the needs of citizens and collect resources but also work to achieve objectives. These objectives are defined as the activities that take place within institutions in order to generate immediate results - outputs. Sustainability of results will generate outcomes and impacts.

Other authors have also discussed the 'efficiency in Government' (Ostrom, 1973: 122) but also ways of analyzing such performance data (Hein-

rich and Lynn, 2001).

As a general conclusion of the performance literature, elements of performance can be:

- Management of financial flows within organization and the link between strategic management and financial management;
- Communication, inter institutional communication and interactions between organization and the external environment;
- Objectives of different components of organization;

A classic model of performance is the Harvard Business School model, known as 'managerial planning and control system' (Anthony, 1965). The model operated a clear distinction between managerial control, strategic planning and operational control.

The debate on performance as key characteristic of good governance is rather focused on the performance measurement, moving the analysis to microeconomics and using cost-benefit analysis and project management instruments: results, indicators, outcomes. Microeconomics defines performance as being applied to functions of public institutions, consisting in public policy programs or projects with set performance indicators. Measurement and evaluation is the institutional process which helps organizations to provide evidence for responding to strategic objectives of public services delivery.

Talbot (2005) highlights the various dimensions of the concept of performance. Quality standards, key parts of the performance process are based on responsibility and on user choice,

quality customer service, efficiency, effectiveness and proper allocation of resources. Quality is the missing elements in the public performance models. They are the window between customers/citizens as final recipients of public services and the public institutional management. They should correlate with the budget, use of strategic planning instruments and impact analysis for new regulations.

In recent years, there has been a gap between policy formulation and the actual implementation of performance indicators. Empirical findings show a lack of correlation of the administrative measures taken for improving public performance and a lack of capacity of public service (Verhoest and Bouckaert, 2005).

Models of performance measures for public organizations distinguish between impact (outcomes / outputs), process and measurement mechanisms. An example of certain success is the UK Audit Commission, which has adopted a definition of public performance model, a definition. The administrative performance in the Anglo-Saxon system requires a number of important management functions:

- defining and establishing objectives and organizational goals
- corporate planning
- correlation between organizational strategy and objectives of jobs and customers;
- training of employees by identifying development needs
- evaluation results through personal evaluation using performance indicators (result)
- performance contracts and agreements

- use knowledge acquired through training in order to change behaviors on performance

- internal and external communication systems;

- organizational development and performance review

These functions define a model based on strategic planning and performance management. The model is based on a process of designing, implementation and collection of feedback from citizens. Budgeting and strategic planning processes play a central role in the public agenda. These elements are important because public management reform lies primarily in the ability to implement decision-making models based on strategic planning, collection of performance measures and results in the management process.

Similar performance measures were adopted or at least publicly discussed in an important number of countries. OECD reports constantly analyze how performance indicators are reflected as a result of government action.

Next section reviews key public administration reform steps undertaken in the last years in Romania, and analyze the performance of the Romanian public administration mostly based on the imports of performance management tools. It looks to the strategic planning, impact analysis reform and other key administrative reforms which define a performance model.

Public management reform in Romania

Categories of Reforms

In the recent history of the Romanian public administration, a number of reform measures were taken, especially due to the external pressure and conditionality from EU or the World Bank. All these measures can be defined as attempts to improve quality of public management in Romania.

Public administration reform has truly entered the Governments agenda with the Romania's EU accession. A Public Administration Modernization Strategy was adopted in 2004, available to 2006. In parallel, an Administrative Capacity Development Operational Program, the financing strategy for European Structural funds (European Social Fund) was the leading document for financing public administration projects which supported reforms.

During the last years, a number of performance measures have been taken as response to the pressure of international organizations and different influential Romanian NGOs, based on international models:

- Legislation on public policies at central, strategic planning and budgetary planning legislation
- Legislation creating bodies of specialists in administration: Young Professionals Scheme , public officials , prefects status Reforming the Law on Administrative
- Legislation on State magistrates
- Anti-corruption legislation (Law nr.161/2003, Law of the

National Agency for Integrity)

- Legislation for quality frameworks standards for public administration: Common Assessment Framework (CAF), ISO standards
- Legislation on public participation and Law on free access to information and public participation (Law no. 544/2001)
- Legislation on decentralization
- Legislation on the control of internal management and fiscal responsibility.

Most of these reforms were adopted by laws and were not followed by administrative measures such as guidelines and methodologies. Besides the absence of administrative and financial resources, there is also a lack of clarity in the legislation. Most of the measures were not supported by budgets; legal obligation to adopt ISO standards; incomplete legislation framework on decentralization, limited to education and some health); public finance reform being discussed by two ministries (Finance and Public Administration).

Before discussing budgetary allocations and adoption of reforms, attention should be paid to the coordination of the reform. No institution assumed full responsibility for this reform. The Centre of Government practically¹ led important parts of the reform process and initiated big majority of the measures that were taken. The reform process was divided between different Ministries. Human resources reform and quality reform were coordinated by the Ministry of Administration and Interior², the reform of public procurement was coordinated by the Prime Minister's Office, the finance and

budgetary reform (local finance) was coordinated both by the Ministry of Finance and Ministry of Administration and Interior. Different components of the reform were coordinated by different entities, causing a certain degree of confusion regarding the leadership of reform.

Policy making and strategic planning reforms

A key initiative with a potential key role in improving performance of public institutions consisted in the introduction of the public policy formulation legislation, strongly and repeatedly requested by the World Bank and international donors. The legal framework was adopted in 2005-2006, and a central unit (i.e. Public Policy Department) was created at the level of the General Secretariat of the Government (i.e. GSG). The Public Policy Department within GSG had the role to coordinate the policy making and impact assessment processes at the Central Government level, supervising the quality of the policies and evaluations that were supposed to be prepared in each Ministry under the coordination of the newly formed Public Policy Units. Although it started very well, the process has worked for a little while, and slowly, public policy adoption was replaced with laws. For the Government Ordinances, the Ministries were not asked to provide impact assessment and economic analysis but only a substantiating note in which they only checked formally if the law in discussion has budgetary impact. The majority of the answers found no budgetary and economic impact. Changing the Government routine to overuse leg-

islation for almost every decision was the reason to introduce public policy cycle/process and impact assessment in the first place, but unfortunately, it didn't reformed the decision making process. In the Annual GSG reports we find that, between 2008 and 2013, the number of policy proposals has decreased significantly, especially when compared with the previous periods. According to the World Bank Functional Analysis on the Centre of Government, the number of public policies initiatives has decreased from 36 in 2006 to four initiatives in 2009³. Therefore, impact assessment and policy making being used so rarely, the decision making process in central agencies is based on law issuing.

A second important role of GSG was/is the coordination of reforms on strategic planning at Government level. Strategic planning reform was requested by international organizations and was intended to provide a better coordination of the activity of Ministries and a better linkage with the general development and governance objectives of the Government. In 2006, General Secretariat of the Government has adopted the Government Ordinance 1807/2006 on introducing the Strategic Management reform for *Central Government*. This was the first stage of the reform process, aiming to help Ministries to produce Institutional Plans for a bigger period than one year, plans that would contain sets of objectives and vision on different sectors coordinated. This reform was supposed to be followed by a second reform, on Budgetary Planning, aiming to link objectives with the budget and produce performance indicators. Even if a series of Ministries have build de-

cent Institutional Plans (Administration, Education, Regional Development, Agriculture, Environment), the lack of follow up with the second stage of reform have affected the coherence and credibility of reform.

Regarding public budget and public finance, the Ministry of Public Finance (MFP) has the authority on budget decisions and reforms. Under external conditionality, MFP has adopted the Fiscal Responsibility Law in 2010 with the declared aim to strengthen fiscal discipline and contribute to the improvement of the medium-term budgetary programming. This piece of legislation has introduced a number of fiscal procedures to prioritize the expenditures and manage prudent fiscal policy for economic crisis. According to the law, budget revisions are limited to two per year and reporting requirements are introduced to increase transparency of fiscal policy. However, no clear rules have been introduced for medium-term planning in terms of the correlate strategic objectives with budget allocations, the law being primarily and inspection instrument to keep public debt under control and build a more conservative fiscal environment in Romania. Two ministries were introduced in the process of budgetary monitoring of expense ceilings, and the reports will be available at the end of 2014.

Lack of monitoring and evaluation systems for public administration management, with the exception of Structural Funds implementing institutions are making any performance model very hard to be applied. The absence of such systems, even for programs funded from the state budget is also an issue of lack of accountability and absence of budgetary transparency. This makes

informed decisions almost impossible for the public. In some institutions, especially those managing EU funds, monitoring and evaluation systems are in place, but they only work on EU funded projects, even if the activities and objectives are similar (Ex: development of transport infrastructure)

Romania's EU accession in 2007 has brought a series of new challenges and opportunities for the public administration. EU accession has brought on the public agenda values as transparency and dialogue. They came also with a budget to finance public administration reforms based on needs and real problems. This was a great obvious opportunity, the amount of financial allocations of the EU 2007-2013 programming period, was of almost 19 billion Euros, not considering national contribution, which have led to a total of 27 billion Euros for Romania. The EU programming framework has brought a clear set of requirements on institutional capacity. The challenge was the capacity of Romanian public institutions to manage major development budgets and have a role in the absorption process. Building the institutional set-up for structural funds implementation in Romania was and is a very difficult process, especially due to the unfinished decision-making reforms.

In 2007, one of the first steps was for Romanian Government to adopt an overarching strategy for EU funds (i.e. National Strategic Reference Framework - NSRF), with development objectives and a vision for country development. Lack of coherence in the decision-making process has had a negative impact on the process. Different procedures and strategies were adopted for structural funds implemen-

tation, by the Management Authorities for EU funds linked to different Ministries. It was difficult to have a clear coordination and a clear hierarchical and strategic approach, which would led in the end of the programming period to the realization of the indicators from the National Strategic Reference Framework.

NSRF is the strategic document requested from Romania by the EU in order to guide the implementation and absorption of EU funds. A strategy to define development objectives financed with resources from the EU, NSRF and the Structural Funds framework are examples of modern tools of public management. They included indicators, monitoring and evaluation systems, internal control standards and modern financial management and gave a fresh breath to public administration.

The document is containing provisions on public administration modernization but it was approved separately from other national key strategies: National Development Plan, National Reforms Plan. Although the objectives from these different strategies were somehow correlated, the managerial, operational and financial plans were different. Due to the absence of a coherent national performance within public administration, including planning and monitoring, reporting and evaluation, the EU programming framework is the only model of performance for Romanian public administration. Unfortunately, tailored on existing public institutions, the planned model was not entirely successful, as the results indicate in 2013. The new departments in charge with structural funds management were placed in existing institutions and were not completely and

functionally separated, which affected the management process. As a result, in the end of 2013, two years before the closure of the first programming period, a 30 per cent absorption rate was reported by the Ministry of European Funds⁴.

The Management Reform

Decentralization and Human Resources Reforms

In the process of EU funds programming, some conditions were asked from Romania concerning the public administration reform. Most of them were included in the Strategy for Modernization of Public Administration 2004-2006, which defined different objectives to increase administrative capacity of Romanian public administration and the improvement of specific management functions. Besides the commitment to adopt new legislation, for public procurement, transparency and quality, reform measures were promised for human resources reforms, public financial reforms.

An initiative in this regard was the changes in the legislation for local public administration and the adoption of new management measures, legislation for the creation of a professionalized body of public managers, creation of a body of High Ranked Civil Servants, changes in the political statute of high ranked civil servants.

The aim of the public managers program was to create a team of public professionals who would have managed the reform process during EU accession, guided more by the new public management elements of per-

formance, planning and integrity. They should have been responsible with the implementation of managerial reforms such as strategic planning, public policy process. The result was a few hundred public managers educated abroad and trained intensively to become drivers for modernization. The program Young Professionals Scheme did not fully meet the objectives. An important number of public managers are still waiting for the Government to employ them, four years after the program has closed⁵. The problem was caused by the insufficient planning capacity in public administration and a lack of political commitment for reform. However, they have a positive impact when a public authority decides to hire and use them at their potential.

Decentralization is another key managerial process that might could have had an impact on performance and positively contributes to performance in public administration. Law 273/2006 on local public finances foresees the transfer of education and health related attributions to local authorities. The de-concentrated attributions were not followed by fiscal decentralization and it was difficult for local authorities provide the new decentralized public services. These attributions are split between central government and local governments⁶ even today and a decentralization law is on the Government table these days.

Transparency

One key feature of a decision-making framework for public administration is the transparency of public institutions. For the strategic planning – policy making – managerial decision making

and planning framework to be legitimated, all needs to be discussed and consulted with the citizens and other institutional non-public stakeholders. The clients need to be involved in the process in order that it represents the agendas of people who pay taxes, vote and are represented (principals).

Romania has adopted legislation on transparency, a freedom of information law (Law no. 544/2001) and a decisional transparency law (Law no. 52/2003). These norms have produced a substantial change in participation to public decisions and had a role in creating a certain awareness regarding the rights of the citizens in the decision process. These are especially very good instrument for activists and organizations to push reforms from bottom-up.

Consultation obligations were also provided in the public policy process legislation. The initiators of public policies are obliged to consult businesses affected, the trade unions or other interested parties. Only in 2011, the obligation to report on the amendments provided by other parties was adopted and the transparency law was improved. In general, central agencies and ministries are obeying the law but in a passive way most of the time. The Annual Report on the law 52/2003, shows almost no substantial input from other parties than the ministries themselves.

Quality Standards and Internal Control

Most of initiatives regarding the improvement of quality standards for public services, are initiatives of the Ministry of Administration and. One

of the initiatives was the adoption of the Common Assessment Framework which was based on a pilot initiative at local level. The project was not followed or monitored anymore and no data is available to see if the CAF is still used by some local or central authorities. More than 25 million Euros were allocated to public authorities, especially local public administration, to finance adoption of ISO 9001 standards. A number of projects were implemented and others are still under implementation, but there is not follow-up system or program to analyze on the impact and results on the organizational processes and on the strategic objectives of the organizations. Some ministries and authorities have achieved accreditation in this regard, others not, generating a confusing situation and the impossibility for their comparison. The problem is that no budget or monitoring system is in place to evaluate the results.

At local level, performance and quality of public services were not regulated through public policies or laws. However, adopted in 2005, but functional only from 2012, a Government Ordinance (946/2005) on the Internal Managerial Control is in place. The implementation of the control standards, which only recently are being verified by the Romanian Court of Accounts, are a system of internal checks that allows a sort of link between strategic objectives and different functions of public institutions, based on different sets of managerial risks: financial, legal, operational, etc. This new regulation might provide a basis for strategic planning in the institutions.

Strategic planning can be found at local level due to the conditionality of

EU applying to structural funds beneficiaries, that obliged the local authorities to design local development strategies, needed to demonstrate that the investment projects are party of a wider development strategy. EU funds, especially the European Regional Development Fund and the European Agricultural Fund for Rural Development, did required from local authorities to provide a local strategy or local development plan to prove the existence of development objectives and to motivate the need for investments. Local strategies, urban plans and sustainable local strategies were developed, more or less linked with institutional management plans.

Conclusions

From empirical evidence, in Romania, a performance framework is partially implemented. So far, some elements were arranged in the model. The Functional Analyses⁷ of Central Government produced by World Bank for Romania in 2011 show an uneven approach of reform implementation. From the brief picture, we can observe that the management reform in Romania was a non linear process. Lack of coordination, resistance to change and lack of incentives in the legislation, lack of a performance based human resources systems and a hierarchical promotion system based on rewards and sanctions and not exceptions, confusion about the roles of different institutions involved in the reform, has really blocked the progress.

Romania's administrative system can be defined as 'legalistic administration'. This system, similar with the

French or Spanish systems, has characteristics which can explain the partial lack of success of performance reforms. It is formal and has the tendency to *legalize* every measure taken as part of the reform. Legalistic administration is centralized and rejects private participation in the provision of services (subcontracting, etc) and in general is attached to the weberian. One can notice from the analysis that laws and legal framework are discussed often, while best practices, guides and benchmarks are not so often used. The system is in conflict with the performance model proposed above because it operates with different concepts. Romanian administration is mainly focused on the *legality* while public performance is operating with *opportunity and efficiency*.

The performance platform is discussed recently under the neo-weberian model or the new public governance theory. Public administration reforms are subject to intense debates in the academic and policy environments, during economic crisis when the need to reduce government is critical. International organizations and other big donors are not willing to accept inflation policies and allow a big public debt. Therefore, rationalization requires adoption of performance measurement instruments and performance indicators. Governments are now working on a value for money logic in their capital investments.

A framework of strategic planning – policy making – management planning, is useful when a Government is asked for performance and results. This model should be associated with monitoring and evaluation systems and performance indicators and pro-

vide inputs for institutional strategic planning. Evidence based impact assessment and policy analysis helps authorities to decide upon the best policy options. Management planning has to be correlated with strategic objectives and decisions. Strategic planning and public policy making are weak without a coherent procedural and legal framework.

There is almost no tradition in Romanian public administration to work with quality standards or transparency. Quality standards and transparency are missing elements in the Romanian decision making system. Quality frameworks (ISO, Balance scorecard or Service charters), are pillars of decision-making and help to links citizens needs with strategic objectives.

Romania has not yet developed a coherent public administration. A coherent approach for reform will have to start from Government and define the institutional framework for reform. If organizational framework is not enough, the reform should include also Constitutional changes.

A second step after setting the responsibilities and dividing attributions between institutions at central level and local levels is to build a model of performance, using existing benchmarks and adapting to local solutions.

Accountability mechanisms and transparency are very important for the reform process and will provide the inputs from public to strategic planning design process.

The objective to set a performance framework is two folded: it has to respond both to the need to improve democratic governance and to design administrative instruments attractive for public administration. For a reform

model to work it needs to be assumed by politicians.

Notes

¹ General Secretariat of the Government, Chancellery of the Prime Minister.

² In 2013, the Unit for Public Administration Reform has been dissolved and the responsibility for reform was transferred partially to the Ministry of Public Administration and Regional Development.

³ See http://www.sgg.ro/docs/File/UPP/doc/rapoarte-finale-bm/etapa-I/RO_FR_COG_Final_Report_RO.pdf (12, February, 2014).

⁴ See <http://www.fonduri-ue.ro/> (12, February, 2014).

⁵ The program website www.yps.ro is not functional.

⁶ The attributions were delegated according to the Law 273/2006

⁷ See http://www.sgg.ro/index.php?politici_publice_documente (12, February, 2014).

References

- Anthony, R. (1965) *Planning and Control Systems: A Framework for Analysis*. Division of Research, Boston: Harvard Business School.
- Bondar, F. and E. Răuță (2010) 'Strategic Planning and Performance Management - Best Practice Cases in Central and Local Public Administration', Report financed by the European Social Fund for the Management Authority Increasing Administrative Capacity, <http://www.publicadministrationreform.eu/?q=taxonomy/term/4> (16, February, 2014).
- Bryson, J. M. (2004) *Strategic Planning for Public and Nonprofit Organizations*. San Francisco: Jossey - Bass.
- Guvernul României (2014) 'Cadrul Strategic Național de Referință', <http://www.fonduri-ue.ro/documente-programare/csnr> (16, February, 2014).
- Lynn, L. E. Jr., C. J. Heinrich and C. J. Hill (2011) *Improving Governance: A New Logic for Empirical Research*. Washington, DC: Georgetown University Press.
- Government of Romania/World Bank (2011) 'Functional Analysis of the Government of Romania', http://www.sgg.ro/index.php?politici_publice_documente (16, February, 2014).
- Hood, C. (1991) 'A Public Management for All Seasons?'. *Public Administration*, 69: 3-19.
- Lynn, L. E. Jr. (2008) 'What is a Neo-Weberian State? Reflections on a Concept and its Implications', http://iss.fsv.cuni.cz/ISS-50_version1080227_TED1_Lynn_Whats_neoweberian_state.pdf (16, February, 2014)
- OECD (2004) 'Guiding Principles for Regulatory Quality and Performance', <http://www.oecd.org/fr/reformereg/34976533.pdf> (16, February, 2014)
- OECD (2005) 'Regulatory Impact Analysis in OECD Countries. Challenges for Developing Countries', <http://www.oecd.org/gov/regulatory-policy/35258511.pdf> (16, February, 2014).
- OECD (2010) 'Making Reform Happen, Lessons from OECD Countries', <http://www.oecd.org/inclusivegrowth/Making%20Reforms%20Happen%20Lessons%20>

- from%20OECD%20Countries.pdf (16, February, 2014)
- Ongaro, E. (2009) *Public Management Reform and Modernization, Trajectories of Administrative Change in Italy, France, Greece, Portugal and Spain*. Edward Elgar Publishing, Inc.: William Pratt House.
- Ferlie, E., L. Lynn and C. Pollit (2005) *Oxford Handbook of Public Management*. Oxford: Oxford University Press
- Osborne, S. P. (2010) *The New Public Governance? Emerging Perspectives in the Theory and Practice of Public Governance*. New York: Routledge.
- Guvernul României (2007) 'Planul Național de Dezvoltare, 2007-2013', <http://www.fonduri-ue.ro/documente-programare/pnd-2007-2013> (16, February, 2014)
- Pollitt, C. and G. Bouckaert (2004) *Public Management Reform: A Comparative Analysis*. Oxford: Oxford University Press.
- Poister, T. H. and D. M. Van Slyke (2002) 'Strategic Management Innovations in State Transportation Departments'. *Public Performance and Management Review*, 26(1): 58-74.
- Poister, T. H. (2010) 'The Future of Strategic Planning in the Public Sector: Linking Strategic Management and Performance'. *Public Administration Review*, 70(1): 246-254.
- Ministerul Administrației și Internelor (2007) 'Programul Operațional Dezvoltarea Capacității Administrative 2007-2013', <http://www.fonduriadministratie.ro/> (16, February, 2014).
- Talbot, C. (2005) 'Performance Management' In Ferlie, E., L. Lynn. and C. Pollitt (eds.) *The Oxford Handbook of Public Management*, pp. 491 – 517. Oxford: Oxford University Press.
- Verhoest K. and G. Bouckaert (2005) 'Machinery of Government and Policy Capacity: The Effects of Specialization and Coordination' In Painter M. and P. Jon (eds.) *Challenges to State Policy Capacity, Global Trends and Comparative Perspectives*, pp. 92-111. Basingstoke: Palgrave Mac Millan.