

The Impact of the Romania's Accession to European Union on the Public Administration

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Abstract: *The scope of public administration reform is wide ranging and a sustained long term effort is needed before tangible results emerge. EU pre-accession assistance to Romania was divided between specific acquis related issues and accession based issues that sought to narrow the gap between conditions in Romania and in the member states. Support to the public administration sector was primarily accession driven. While the three pillars that were supported fit comfortably within established models of public administration reform, much of the assistance was developmental (preparing for implementation) rather than implementation driven. Accession to the EU is a weak driver for public administration reform.*

Much progress was made in civil service reform, particularly in enacting a modern civil service law but the fundamental reform objective of changing the balance between politically appointed officials and civil servants was not met. As a result, several of the reforms that were designed to fill a gap that never materialised have fallen short of their objectives. A lot of management training was provided which has had some positive effect. There was a lot of preparation for deconcentration and decentralisation of administration but little practical implementation so far, partially due to slow progress in fiscal decentralisation. Substantially more progress was made in the establishment of Public Policy Units and the introduction of strategic planning. There has been considerable institutional development in all sectors and establishment of new regional structures in preparation for the administration of structural and cohesion funds. There is also a notable commitment to extending the programme evaluation culture to cover national as well as EU and donor funded programmes. The overall impact is reflected in the development of administrative capacity rather than any real improvement in the efficiency of service delivery.

The immediate challenges are for further strengthening of the administrative civil service and a reduction in the political presence in the administration. The fragmented nature of the reform initiatives to date is a possible reason for their limited impact and there is sufficient progress to begin a convergence of strategic planning, programme budgeting, HR reform and the national evaluation strategy to form a coherent public management reform package. A significant weakness is the poor quality and lack of good performance information and this should be addressed soon. The Administrative Capacity Development Operational Programme provides a basis for proceeding with this. On a wider scale, the regional focus of much of the EU structural and cohesion funds provides a significant opportunity for Romania in the short term. The move to a seven year programming horizon is supportive for the planning of reform initiatives. The possibility of benchmarking administrative performance against other member states offers a potential national driver for Romania to claim its proper place in the member state league table.

Important lessons from working with the EU are the experience gained in programming and monitoring, acceptance of the value of investment in people skills, the importance of publicity and visibility in reform actions and adoption of a strong monitoring and evaluation culture. While the impact of EU accession on public administration is limited to date, there are good prospects for the future.

Keywords: *integration, administrative services, administrative capacity*

1 Introduction

An Australian visitor

In 1998, on a private visit to Ireland, the then Auditor General of Australia¹ met his Irish counterpart and gave a short personal assessment of the progress of public administration reforms in Australia. In his presentation, he made two points that have remained in my mind ever since. He admitted that after 16 years of reform effort, the policy makers in Australia were still looking for answers to the original reform questions they had developed when the initial reforms were launched in 1983. On the subject of reform objectives, he explained that initially, a set of five year reform objectives had been set. The policymakers deliberately set objectives that they thought would only be achieved within ten years as the five year targets. The rationale for this was that if they had been established as ten year targets they would never be achieved.

On reflection, his remarks convey two important messages for the modernisation of public administration – the first, that it is a long term journey without a predetermined destination, typically 20 years before a proper impact can be determined, and the second, that the pace of reform is uneven and defies an orderly packaging of reform initiatives into regular medium term reform plans.

Nature of PHARE assistance to candidate countries

The EU PHARE instrument was used as the primary means to support candidate countries to become member states of the EU. PHARE assistance can be considered as being either “*acquis* driven” or “accession driven”. *Acquis* driven programmes were directly linked to the roadmap set out in the *acquis communautaire*². This was a specific list of improvements that needed to be made for Romania to meet the criteria for EU membership and typically covered new or amended legislation, and the creation of new institutions. Accession driven programmes had a less clearly defined set of objectives as the aim was to narrow the gap between the candidate country situation and the Member States but without setting hard targets for the extent of progress to be achieved.

The Romanian public administration benefited significantly from both *acquis* driven and accession driven programmes. Many of the new institutions needed to function as a member state, from agricultural inspectorates and laboratories to supervisory and regulatory agencies for the internal market were established with PHARE *acquis* based support. In the Public Administration Reform sector³, which was primarily accession driven, three central actors were established as owners of the reforms – the Central Unit for Public Administration Reform (CUPAR), a unit within the Ministry of Administration and Interior, the National Agency for Civil Servants (NACS) and the National Institute of Administration (NIA).

Scope of Public Administration Reform

There is a growing body of research on the scope of public administration reform. In 1998 the SIGMA unit at the OECD organised a conference for candidate countries to define the parameters for considering the “European Administrative Space”. The conference outlined the broad areas of public administration that might fall within the scope of a public administration reform and influenced the shape of PHARE supported interventions in the years that followed. An OECD publication in 2005⁴

¹ In 1998 Australia and New Zealand were widely acknowledged as countries that were leaders in the modernization of public administration.

² The *acquis communautaire* is an agreement between a candidate country and the EU that sets out the conditions to be met to become a member state.

³ PHARE assistance was programmes through ten sectors. Many sectors, including the Public Administration sector were not entirely coherent. There were also overlaps between sectors.

⁴ Modernising Government: The way forward – ISBN 92-64-01049-1 – © OECD 2005

provided a more comprehensive analysis of six broad areas that may fall within a public administration reform programme. These are:

1. Open government
2. Enhancing public sector performance
3. Modernising accountability and control
4. Reallocation and restructuring of government
5. Use of market-type mechanisms to provide government services
6. Organising and motivating public servants – modernising public employment

Academic research is reaching similar conclusions. For example, Pollitt and Bouckaert⁵ see public administration reform in terms of the interaction of external socio-economic drivers and the political system with the “elite” decision makers in public administration. They have observed that reforms are often top-down and that reformers often intend more than they propose (Australia?). A public administrative reform strategy is rarely comprehensive and may be a series of localised initiatives loosely connected with intentions. Sometimes reform initiatives are derived from “intentions gone wrong” but this underlines the importance of intentions. By its nature, a reform agenda is sensitive to unforeseen effects and set backs along the way and therefore needs some sense of direction to retain support.

Drivers for modernisation of public administration

The drivers for public administration reform are often external - pressure for improved economic performance, a fall in resources available to public administration or a change in the political climate. The linkage of administrative reform to membership of the EU is a weak driver and it is fair to say that there were many other more important political and administrative priorities in Romania in the years leading up to EU membership in 2007.

Organisation of this paper

The remainder of this paper considers the effects of EU support to the modernisation of public administration up to 2007. The impact of accession is considered in terms of the challenges that lie ahead as a Member State. The paper concludes by seeking to identify lessons learned or to be learned for continued public administration reform.

2 Romanian Public Administration Reform 1999 – 2007

The three reform pillars

In 2004, a multi-annual programme for PHARE support to the Public Administrative Reform (PAR) Sectoral Strategy was developed to cover PHARE allocations for 2004 to 2006. The strategy continued support to a reform strategy that was originally outlined in 1999. The programme was based on three reform pillars:

1. Completion of Civil Service Reform
2. Continuation of deconcentration / decentralisation reform; and
3. Support to the development of Public Policy making.

⁵ Pollitt and Bouckaert, Public Management Reform, A comparative analysis

Civil Service Reform

The Civil Service Reforms included the enactment of a new Civil Service Law that introduced more open and transparent processes for the recruitment, assessment and promotion of civil servants. An important element was to develop a unitary pay system and eliminate, as much as possible, the many allowances and bonuses that were seen as distortions in the system. The de facto owner of these reforms is the National Agency for Civil Servants.

At a deeper level, the Civil Service Reform was intended to change the balance between politically appointed civil servants and their administrative counterparts with the objective of creating a more stable administrative based civil service. The original thinking was that this would be an abrupt change that would create a vacuum in the elite management ranks of the central administration and in the prefectures. Several PHARE supported programmes were included in the package of initiatives to address this gap. For example, the National Institute of Administration was created with an exclusive mandate for the development and training of high civil servants. A Young Professional Scheme was launched to provide a fast-track entry route for young well educated civil servants (called Public Managers) who could be quickly promoted into senior decision making posts with five years.

Deconcentration / Decentralisation reform

The deconcentration reform refers to a transfer of front line responsibility for the delivery of centralised public services to regional or county offices of the ministries or responsible agencies and in some cases to the prefectures. The decentralisation reform would continue this process by devolving responsibility for service delivery to the local administration –municipalities, county councils and communes. The nature of the PHARE support over several years was to prepare for a substantial reform in this area. Unfortunately, while much preparation was made, little actual implementation of reform was achieved.

Development of public policy making

When the multi-annual programme was produced, the third pillar was intended to support the development of capacity for policy analysis and research and the introduction of a strategic management reform. From the outset, it was recognised that the available human resources to support these initiatives were insufficient and the projects to funded were scheduled for the later years of the programme.

What was achieved

In terms of the overall objectives of the public administration reforms, it would be easy to conclude that the impact of the EU assistance has been relatively small but the actual position is, of course, more complex. The *acquis* area of a modern civil service law and remuneration reform has been delivered but the systems of contests for civil service posts and competence based assessments of the performance of civil servants are new and require further support. A human resource management reform that assesses civil servant performance based on outputs and results in some years away.

The expected gap in the senior ranks of the civil service never materialised as the Secretaries of State continue to be politically appointed. A law was passed requiring high civil servants to complete a recognised course which was developed and delivered by the National Institute of Administration. This solution meant that many high civil servants kept their jobs. The job status of the prefects was converted from a political to an administrative appointment and a special training scheme for the revised role was delivered in support of this. Over 200 Public Managers have been placed in the administration on successful completion of the Young Professional Scheme but the prospects for them to reach the intended levels in the civil service within five years are low and most of them hold

middle ranking positions. One impact of the YPS scheme has been the availability of educated civil servants for jobs in PHARE implementation units and structural funds institutions (Managing Authorities and Intermediary Bodies) where they make an important contribution to the administration effort.

While there has been consistent political support or intentions to pursue deconcentration and decentralisation, the actual progress is confined to the preparation of legislative changes and the development of tools and methods to support the implementation of the reform. Some pilot exercises in administrative decentralisation have been made but progress on fiscal decentralisation has been slow although a methodology for determining the fiscal allocations has been developed. There is more progress in terms of the administrative capacity of local administration to take up decentralised services. A series of local government grant schemes are generally viewed to be successful and considerable training has been provided. This tends to lead to the local introduction of strategic plans and in some cases, improved human resource management.

The progress in public policy making has been much better than was expected in 2004. A PHARE supported twinning project with Latvia, funded from the 2003 programme, developed a manual and methodology for strategic planning. The capacity at the General Secretariat of the Government (GSG) was strengthened and a law introducing the requirement for ministries to develop strategic plans has been passed. At the same time, Public Policy Units have been created in the ministries and central agencies. The GSG has participated in EU working groups on Regulatory Reform and the agenda for further reforms in this area has a much clearer focus. A project has been recently launched to support the introduction of policy impact analysis, programme monitoring and evaluation and support to the strategic planning function. It is interesting that the initial spark for these recent successes came from outside the public administrative reform strategy.

The three reform pillars fit comfortably within the OECD reform themes but on their own are fragmented. There are many other PHARE supported reform initiatives in the other sectors that do not carry label of "administrative reform". Most sectors have a considerable investment in capacity or institution building frequently involving structural changes, the development of processes and procedures, the introduction of information and communications technology and substantial training and development programmes. In some critical areas like the Justice and the Home Affairs sectors there are efforts for joined-up working for institutions pursuing common objectives, for example in the fight against corruption or intellectual property crime. While progress in the implementation of deconcentration and decentralisation has been limited, the need to create regional based structures for post accession EU assistance through the Structural and Cohesion Funds has strengthened the regional administrative capacity. Many of these new structures, for example the intermediary bodies for the HRD Sectoral Operational Programme provide a basis for significant progress in regional based economic and social development.

An important impact, which is so far largely unnoticed, is the decision made by the Ministry of Economy and Finance in 2004 to adopt a national evaluation strategy that would apply the same standard of programme evaluation to nationally funded programmes as is applied to EU or other donor funded programmes⁶. Phare has supported the development of the national evaluation strategy and is providing some training and development to develop evaluation expertise. This initiative is unusual as it is not automatically seen in other countries. Obviously, evaluation plays an important role in learning lessons to improve the design of future programmes and is an important component of modern public administration. The Romanian decision to go further than other countries in this respect must be influenced to some degree by the high importance that the EU attaches to monitoring and evaluation for both pre- and post-accession programmes.

At this point, a preliminary conclusion could be reached that the impact of Romania's accession to the EU on public administration is very much reflected in the development of

⁶ In Ireland, the same standard of evaluation was applied to national (NDP) and EU funded programmes in the 2000-2006 programming period.

administrative capacity rather than in a radical improvement in public services⁷. The engagement with other member states, principally through twinning projects, has led to the adoption of “EU best practice” and important networking at many levels of the administration. Unfortunately, the notion of a unified “EU best practice” is a myth, and the actual result, in some respects, is that the new member states are better endowed and more reform minded than the older states.

3 Challenges for public administration in a post accession context

Incomplete civil service reform

The preservation of the strong political presence in Romanian Public Administration poses a threat to both the continuity of the administration and to progress with public management reform. While some progress can be made in introducing public management methods, ultimately the presence of politically appointed persons in positions of management influence slows down the development of a proper accountability framework between the Public Administration and Parliament. Ultimately, further civil service reform will be needed to address this issue.

Reform convergence

Although the impact of EU accession on public administration is fragmented, it is real. In common with other new member states, Romania has reached the position in the reform process where a convergence of various reform strands can now be considered. An obvious example is the linking of ministry based strategic and operational plans to programme budget formulation. Other new member states (Lithuania, Estonia) were working on strengthening these links in 2005-2006, within one year of their accession. The EU contribution to budget reform in Romania has been limited as this area received support from other donors.

It is also possible to consider the launch of a more substantial human resource management reform in central and local administration that places greater emphasis on individual performance tied to real improvements in service delivery. If this was joined to institutional strategic planning, budget resource allocation, and the national evaluation strategy, the basic elements for a credible public management reform package would be in place.

Performance Information deficit

The need to apply EU methods to the programming of assistance has had a positive effect on the Romanian administration. This has led to the development of significant expertise in the design, implementation and monitoring of significant programmes. Skill sets in areas like problem analysis, project cycle management, the input-output model and performance monitoring are good and this provides a foundation for organising nationally funded programmes based on these principles. PHARE also supported the development of information systems and databases to improve the quality of information available to policy makers but progress in this area leaves a lot to be desired. In the ex-ante evaluations for the Sectoral Operational Programmes, a major criticism was the poor quality of information to support the selection of priority objectives. This particularly applies to the Administrative Capacity Development Operational Programme where the decision to have a separate OP was only made in October 2005 which left little time for research and information gathering to support the production of the first draft of the programme in March 2006. A positive impact is the awareness in the Romanian administration of the weaknesses in information sources to support the Operational Programmes and a determination, perhaps driven by the requirements for setting SMART results indicators imposed by DG Regio and DG Employment for the ESF programmes, to make improvements in this area as soon as possible.

⁷ There are some notable exceptions in areas like tax collection the progress made is tangible and visible

Administrative Capacity Development Operational Programme (ACD OP)

The ACD OP is a highly visible sign on continued EU support for the modernisation of Public Administration in Romania⁸. The ACD OP seeks to have a seamless continuation of the public administration reform efforts to date and to reinforce those efforts with investment in targeted efficiency improvements. Up to 70% of the programme funds may support the decentralisation of services in Public Health, pre-university education and social assistance. In the central administration, the priorities are continuation of the policy analysis and strategic reforms, support to programme monitoring and evaluation and funding for institutional restructuring. While the dominant use of funds is for training, the scale of the allocation (€ 250 million) should support the further evolution of new reform priorities and champions.

The structural funds in general and the ACD OP in particular have another small but not insignificant impact in terms of the planning horizon. The move from an annual or three-year cycle to the seven-year programming period for the OPs is particularly appropriate for public administration reform efforts. This factor, and the availability of considerable resources for research and information gathering provide a sound basis for the development of new reform priorities that are based on more reliable information than was available up to now.

Regionalisation and Decentralisation

Apart from the support for decentralisation in the ACD OP, the regional focus of wider EU support should have a significant impact on the quality of local public administration in Romania. The experience of other member states is that programmes for local and rural development are eventually joined to local government and have a considerable effect on the overall prosperity and quality of life at regional level.

A more efficient administration

The Romanian administration retains a reputation of low trust from citizens and poor efficiency. The biggest challenge flowing from accession is to change the attitude of the administration away from “preparing” to become a member state to “being” a member state. It is natural that the long pathway to membership makes such a change in attitude difficult to complete. There are signs of progress, particularly from the steady increase in networking with other member states. A key element of the change in attitude is acceptance of the need for greater efficiency in both central and local public administration. In this respect, the power of benchmarking against other member states should not be underestimated and acceptance of a culture of management by indicators is a useful starting point.

4 Lessons for public administration from EU accession

Setting objectives - Programming

The long experience with PHARE and the preparation for structural funds has led to a good understanding in the Romanian public administration of the system for programming, implementing and monitoring developmental interventions. Many civil servants with experience of PHARE programming have transferred to structural funds administration and were involved in the development of the Operational Programmes which were among the earliest to be agreed with the EC.

⁸ Only four member states have a separate Administrative Capacity Operational Programme.

Importance of an investment in people skills

The development of a training infrastructure with EU support and the provision of funding for training support in many programmes reinforces an important message about the value of investments in people skills. Some more recent training programmes are actually funding the implementation of the in-house training strategies of the institutions. The existence of these training strategies is a positive effect, even if it is unclear where the national funds will come from to continue the training effort in future years. There is also a strengthening of the accreditation of training courses and increased demand for trainers to have recognised qualifications.

Information and Publicity

The EU approach to publicity and visibility is a small but important lesson in the importance of the branding of public services. The whole area of publicity and packaging of public administration is receiving more attention in Romania with good results.

Monitoring and Evaluation

The commitment to monitoring and evaluation in the Romanian administration goes beyond the approaches seen in other member states, even if the local resources for this are under-developed. For both monitoring and evaluation of the structural funds, the standard has been set at a higher level than is required by the EC. A strong monitoring and evaluation culture is a good support for further public administration reform.

5 Conclusion

Romania's accession to the EU has had many positive effects on the Public Administration, principally by introducing new ways of managing developmental interventions, and by a substantial investment in administrative capacity, especially training. In terms of public administration reform, the impact is less than might have been expected and there is important work to be done to complete the civil service reforms. The public management reforms are currently fragmented, which perhaps explains why there is little visible impact. There is scope for a convergence of these reforms and the availability of a separate administrative capacity operational programme with a seven year horizon provides a good resource base for making more visible progress within the next few years. Hague, October 2004.