

THE IMPACT OF EU ACCESSION ON THE DEVELOPMENT OF ADMINISTRATIVE CAPACITIES IN THE STATES IN CENTRAL AND EASTERN EUROPE. *SIMILAR DEVELOPMENTS IN RUSSIA?*

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Abstract. *The developments of the civil service and administrative reform in Central and Eastern European countries and in Russia are more or less similar. For the Central and Eastern European countries **explicitly** EU Membership is mentioned as an incentive for reform, the accession criteria have even been enlarged with horizontal administrative capacities, whereas for Russia there are no explicit references to incentives for reform.*

INTRODUCTION

In the following we will analyze and assess the impact of EU accession on the development of the administrative capacities of the ten New Member States in Central and Eastern Europe. One of the first assessments is that if these countries will not have adapted their administrative capacities in time, this will cause problems for the functioning of the Union, as they cannot implement the community obligations effectively and in time.

The general development of administrative capacities of these countries has been analyzed and assessed in several EC Commission reports. In these country reports the main factors that influence the development of modern and effective systems of public administration have been identified. After several years an increasing importance has been attached to meeting also administrative capacity requirements and to improve the quality of the administrative systems of the candidate states.

As a consequence general administrative capacity criteria were developed late in the process of

defining the EU membership criteria, which were in a general way defined in the Copenhagen European Council Summit Conclusions in 1993.

The fulfillment of general administrative capacity requirements have been added among many criteria for EU Membership and were a relatively minor issue compared to democracy, market economy and *acquis implementation* capacity criteria.

The assessment of administrative capacities has been complicated by the lack of competencies of the European Union with regard to public administration. The European Commission, which plays a central role in the enlargement process, lacks moreover the necessary expertise. Therefore the debate on administrative criteria for EU membership for a long time has been limited mainly and especially to a debate on technical administrative capacities to implement the *acquis communautaire*.

Horizontal administrative capacities (professional civil service, well-developed accountability system, clear administrative structures) were assessed in a rather general and global way in the Commission Opinions and the

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Regular Reports on progress, due to lack of competences and powers of the EU in this area. The overall opinion was that the administrative organization of the member states belongs to the powers and sovereignty of the member states. However there are also areas where the Member States have to adapt their public administration because of several sources of indirect influence.

First the obligation by the Member States to fulfill the obligations arising out of EU membership. The Member States must be able to ensure the effective participation of its State in the EU Decision-making process, be able to ensure timely implementation of Regulations, Directives and Decisions etc. etc.

Secondly as the Union respects the protection of Human Rights, its Administration and Courts must be able to guarantee the protection of Human rights. The Member States must take care in this case that system of legal protection by the courts will function effectively.

The 1999 Regular Progress Reports on EU Enlargement used for the first time a new assessment system for the analysis of horizontal administrative capacities. The assessment system was developed by the SIGMA programme, which is funded mainly by the EU PHARE programme. The development of this assessment mechanism marks the final stage in the process of defining horizontal capacity requirements for EU Membership.

The baseline assessment of SIGMA covered the following six core areas:

- Policy-making and coordination machinery;
- Civil service (legal status; accountability, efficiency in management, professionalism)

- Financial Management and Public Expenditure
- Public Procurement
- Internal Financial Control (presence of management control systems and procedures, functionally independent internal audit, actions against irregularities)
- External Audit (Meeting auditing standards, reporting regularly, fairly and in time).

In fact SIGMA has enlarged the accession criteria for EU Membership and therefore EU Membership is in the countries in Central and Eastern Europe the main incentive for Civil and Administrative reform.

SIMILAR DEVELOPMENTS IN RUSSIA?

The transformation of administrative systems, which were a key instrument under the former communist regimes, into professional and reliable administrations ready to function in the complex of the EU system was an enormous task. The need for this transformation into professional and reliable administrations is not only a priority for the Central and Eastern European countries, but also for the Russian Federation. However for Russia the support for this transition is not given by PHARE, but by TACIS (Technical Assistance for Common Wealth of Independent States) based on the Partnership and Cooperation Agreement concluded between Russia, the EU and its Member States in Corfu in 1994.

After the expiry of that Agreement in 2007, this Agreement might be automatic renewed year by year provided that neither Party declares its denunciation. A Draft Agreement has been proposed in which for example it

will be mentioned that the Parties will progressively consolidate their relations in the framework of four common spaces: Common Economic Space, Common Space of Freedom, Security and Justice; Common Space of External Security and Common Space of Research and Education, including Cultural Aspects.

To function effectively with an intensified EU cooperation, Russia will need to adapt and modernize its general administrative capacities. Although Russia is not an EU Member State nor a candidate country, these new international developments concerning the enlarged EU as well as WTO accession, will have their impact on the administrative requirements in order to be able to participate effectively in the International system.

EXPERIENCES WITH CIVIL SERVICE AND ADMINISTRATIVE REFORM IN CENTRAL AND EASTERN EUROPEAN COUNTRIES

The three main areas of administrative development are the creation of new civil service systems (in particular the development and implementation of civil service legislation), the development of training capacities and the reform of administrative structures and procedures. These three areas in the development of professional and reliable administrations are essential requirements for states to function effectively and to have a more effective and accountable administration.

1) Creating a professional and reliable civil service

Civil service laws create the basic legal framework for the development of Human Resource Management in the

central administration, which is a basic requirement for the development of a professional, stable and impartial administration.

In the early stage of the development of new systems of central administration in Central and Eastern Europe, the adoption of civil service legislation was generally considered the basic condition. Civil Service laws were considered the main reform tool for addressing problems as politicization, fragmentation and instability.

From 1992 to 2000 most of the candidate countries had adopted civil service laws.

Civil service Law in Hungary was adopted in 1992.

Civil service laws were adopted in Estonia, Latvia and Lithuania within a short time span in 1994-1995. In Latvia and Lithuania the adopted civil service laws were never fully implemented. They have been subject to an ongoing revision process, as the adopted laws were never fully implemented.

In Estonia the civil service law, adopted in 1995, entered into force in January 1996. Unlike the other two Baltic States, the Estonian civil service law has been implemented. In Bulgaria in 1999 a civil service law was adopted. Czech Republic, Romania, Slovenia and Slovakia have adopted civil service laws after 2000.

However the implementation of all the civil service laws was not always completed.

For example the development of a well-balanced recruitment and promotion system.

2) Developing training systems

Training can play an important role in bringing about administrative change

and should be considered to be a powerful administrative reform pool.

It can further make a contribution to the development of a coherent administration.

Joint pre- or post entry training of new recruits can help creating a sense of community among new civil servants.

However the development of training systems has for a long time been ignored or neglected by the Central and Eastern European administrations.

A general problem with all the above mentioned training institutions is that very often they are little more than managers of training programmes. They do not have a core body of permanent trainers in their staff. Furthermore they lack the capacities to carry out reliable analyses of training needs. Training has been neglected as a reform tool because of financial constraints. The creation of government training schools requires a considerable investment. Further the approach to public administration reform has been mostly legalistic in nature, which is not surprisingly considering the prevailing legalistic tradition in many Central and Eastern European states. The adoption of legislation has been emphasized rather than the reform tools like training. We have seen in Russia identical experiences.

3) Administrative reform

Civil Service can only function adequately if it is embedded in well-designed administrative structures and processes. The re-definition of the role and position of ministries, their subordinated organizations and the core executive unit in the administration is a crucial aspect of any administrative development process.

The reform of policy-making and implementation structures and systems is one of the most difficult elements of the administrative development process in Central and Eastern Europe. The policy-making and implementation still showed many features of the previous systems: top heavy coordination, leaving little or no space for conflict resolution before issues reach the government, duplication of functions and especially a lack of clearly defined accountability structures.

Factors that contribute to failure of reform process are:

- administrative reform strategies are often designed in theory without sufficiently testing their feasibility or involving the main stakeholders in the design;
- the value of legislation as a reform tool has been generally overestimated. Adopting laws does not necessarily lead to changes in the operation of the administration.
- Administrative developments does not win votes, politicians therefore tend to lose interest, even if they subscribe in principle the need of creating efficient, professional and reliable administrations;
- The involvement of civil servants from the start of the process of changing the administrative culture is a highly underestimated element of reform programmes.

There are two factors that can contribute to the success of reform efforts:

- the economic situation and the real need for reform; efficient and effective administrations are necessary for budgetary reasons and to attract foreign investment;

- external pressure to carry out administrative reform; the EU is the main organization; its Membership requires the creation of a stable, professional and accountable administration.

EXPERIENCES WITH CIVIL SERVICE AND ADMINISTRATIVE REFORM IN RUSSIA

In Russia in 2003 and 2004 new civil service laws have been adopted. However the implementation of the Russian civil service laws is still under development and support of TACIS, DFID and World Bank projects.

The general objective of the Civil Service Reform (Administrative Reform II) Tacis project is to support comprehensive public administration reform in Russia and contribute to the creation of a merit-based professional, accountable and ethical civil service by assisting the Presidential Administration and other key stakeholders in improving civil service policy and management and developing programmes for the (re-) training of civil servants.

This general objective contains identical elements as the program of civil and administrative reform in Central and Eastern European countries.

Many reports have further been written about civil service and administrative reform in Russia (reports from OECD, World Bank and DFID).

The Russian Government has lastly drafted a concept for Administrative Reform in the Russian Federation in 2006 –2008. The objectives of this reform were summed up as follows:

- Improving the quality of government services and making them more accessible;
- Reducing the costs of government economic regulation to business;

- Raising the efficiency of the executive authorities

The following goals need to be reached for the accomplishment of the above-mentioned objectives:

- Introduction of the principles and mechanisms of results based management in the executive authorities;
- Development and introduction of standards of government services provided by the executive authorities;
- Optimization of the functions of executive authorities and introduction of special regulation mechanisms in the spheres of work of executive authorities that are especially prone to corruption;
- More efficient collaboration between executive authorities and civil society, and also greater transparency and openness of the work of executive authorities;
- Modernization of the system of information support for executive authorities;
- Formation of appropriate organizational, information, resource and HR support for administrative reform

For the first stage of administrative reform implementation approximately 10 measures are proposed. However only one measure concerns training: development, testing and initiation of implementation of personnel training programs for the key areas of administrative reform.

Finally in this document the place of Russia in international ratings for the quality of governance is mentioned. Reference is made to GRICS (Governance Research Indicator Country Snapshot). In 2004 the rating covered 209 countries. The following

indicators are proposed for the evaluation of governance in Russia:

- Governance efficiency- this indicator reflects the quality of government services, the qualitative characteristics of government institutions, the competence of civil servants, the credibility of government policy;
- The quality of government regulation – this indicator is connected with the assessment of government regulation in the economy. It is used to measure such factors as government regulation of prices for goods and services, inadequate control in the financial sector, excessive regulation of business etc. The Russian Government in this Concept states that the administrative reform events should improve governance and government regulation.

In this context it is interesting to see that it has been proposed to use values close to those in *East European countries* as benchmarks for these indicators.

FINAL REMARKS

After comparison of the assessment and analysis of civil service and administrative reform in Central and Eastern European countries and in Russia, we may conclude that these developments are more or less identical.

However for the Central and Eastern European countries *explicitly* EU Membership is mentioned as an incentive for reform, the accession criteria have even been enlarged with horizontal administrative capacities, whereas for Russia we could not find *explicit* references to incentives for reform. We assessed EU- Russia relations (Takis), WTO, Worldbank, DFID as *implicit* incentives for reform. These incentives were not mentioned at all in Russian documents concerning reform, however we found one reference with regard to use for the indicators values. In the Russian Government document it was *explicitly* mentioned that they should be close to those in the East European countries.