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Central European Public Administration Review is a scientific peer-reviewed journal that publishes original articles, devoted to the development and analysis of public administration and governance. We are mostly interested in articles on integrative and multidisciplinary research on the field that includes related scientific disciplines, such as law, economics and management as well as political, organisational and information sciences. The journal's goal is to cover mostly central European space, in not only geographical but mainly contextual sense by supporting administrative reforms in accordance with European principles.

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Editorial: 20 Years – Entry into Adulthood

The present issue celebrates the 20th anniversary of CEPAR. The journal was first published in 2003 as *Administration*, was later renamed *International Public Administration Review*, and adopted its current name – *Central European Public Administration Review* – in 2018. The name changes reflected the evolution of the journal, which initially covered mainly topics and research findings related to public administration in Slovenia. The journal's name was first changed due to more authors writing for the journal and to accommodate the English-language edition, while the subsequent rebranding in 2018 emphasised its attachment to Central Europe. Since then, the editorial policy has focused on the work being carried out by the public administration, which traces its origins and development to the Central European milieu. The journal nevertheless accepts submissions from researchers from other regions. These contributions in turn enable comparative analyses with countries in Central Europe. Another important change in the editorial policy was to allow only the publication of original scientific papers from the interdisciplinary field of administrative science.

This interdisciplinarity is reflected in the diversity of research and methodological approaches used in the contributions. These papers address a variety of topics and areas related to public administration, spurring further development of the discipline in the region.

The journal is continuously being added to new index databases. It is now indexed in most of the major databases covering the field (Econlit, HeinOnline, CNKI Scholar, IPISA, IBSS, ERIH+, etc.), the latest being the Emerging Sources Citation Index (ESCI).

The journal's growth and its content in particular have received widespread recognition. The journal has been invited to join the CEE Network of Public Administration and Policy Journals. The Editorial Board likewise accepted the offer of the International Association of Schools and Institutes of Administration (IASIA) to include CEPAR on their list of journals allowed to publish contributions written by participants of IASIA conferences. Last year, the journal also joined COPE and OpenAIRE – to name just a few of its many achievements during the last two years.

The Editorial Board has certainly played a large role in the journal's success. While the Board has retained some of its original members, the membership at large is very dynamic and made up of thirty renowned public administration experts and researchers from the region and elsewhere. These are active members who continue to promote the journal throughout their tenure, helping increase the journal's reputation.

The quality of the articles is also due to our peer reviewers, who for the past five years have been selected almost exclusively from outside Slovenia. In the two decades since the journal's inception, the papers have been reviewed by 1442 peer reviewers. I am particularly grateful for their fast work, cooperation, and quality reviews. You helped make the journal what it is today.

The main value of the journal comes from the 113 authors from 20 different countries, including countries outside Europe, who have submitted their work over these 20 years. I hope you will remain faithful CEPAR readers and contributors.

On its 20th anniversary, the journal can boast 56 issues and 414 articles. The number of citations has been steadily rising, with a particularly notable increase in the last two years when the number of citations increased by 100%. All this shows that the efforts put into the journal have paid off, that each and every stakeholder leaves a lasting trace on its development, and that it is increasingly being recognised for its quality. The credit therefore also goes to the previous two editors-in-chief who present some of their reflections on working for the journal below.

Thank you to everyone who contributes to the growth of our journal. All of you – authors, reviewers, members of the Editorial Board, both past and present – have helped make this anniversary possible. Special thanks also goes out to the two former editors-in-chief and technical editors and to the present technical editor for their commitment and dedication.

See you in future issues,

Prof. Maja Klun, CEPAR Editor-in-Chief

Reflections by Former Editors-In-Chief

Prof. Stanka Setnikar Cankar (September 2003–September 2017):

As the first Editor-in-Chief of the *International Public Administration Review*, I mainly have fond memories of the decision to launch the journal. Despite concerns that it would be difficult to gather enough quality submissions from Slovenia and abroad, the narrow editorial board and I were convinced that the only public Faculty of Public Administration in Slovenia simply had to break new ground by publishing an international journal. We needed a journal that would allow us to publish quality research papers from Slovenia, Europe and other parts of the world. Our aim was to disseminate knowledge about research and scientific findings in public administration among students and employees in the Slovenian public sector. In the early years, contributions mainly came from the numerous Slovenian and foreign experts on public administration and the wider public sector with whom we were on friendly terms. The main sources of compelling papers on state administration, public administration, and the public sector were the international events organised by the Faculty, as well as the scientific conferences that the university teachers attended abroad. The quality of the journal was recognised in Slovenia and especially in Europe, reaffirming our belief that the journal deserved to be included in relevant international databases. We quickly began taking the necessary steps to achieve this goal, which later required changes to the structure and name of the journal.

Prof. Polonca Kovač (October 2017–May 2020):

I was appointed Editor-in-Chief of what was then MRJU/IPAR in 2017 and held this office until mid-2020. During this period, the journal was revamped with the help of my colleagues from the Faculty, editors, reviewers and close fellow researchers involved in academic journalism (e.g. HKJU, TRAS, and NISPAcee Journal). The new CEPAR journal, focused on the Central European administrative space and public governance, featured a redesigned blueprint and visual identity, management structure, an integrated open-source Open Journal System, and most notably more rigorous standards for the twenty original scientific articles published each year and for the relevant preliminary peer-review and editorial processes. The aim of these updates was to attract distinguished authors from the region, publish high-quality and topical scientific articles, and be featured in international bibliographic databases ranging from HeinOnline, IBZ, IFPL, DOAJ, to Web of Science's ESCI and the yet-to-be-achieved Scopus indexing. CEPAR made remarkable progress in this period and established itself as a key Central European player in academic publishing. The journal is an essential pillar of the Faculty's scientific research, assuring its role as a key institution for the development of public administration and public governance in the region and beyond. We expect to further develop the journal in future by taking a multidisciplinary approach to complex administrative issues, covering areas like law, economy, management and IT. This will allow the journal and our Faculty to continue constructively contributing to the advancement of good governance practices and administrative science.

The Impact of Digitalization on Public Administration, Economic Development, and Well-Being in the EU Countries

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ABSTRACT

Purpose: Digitalization has been the driving change in creating jobs and increasing economic growth in recent years. However, the digitalization of countries and sectors is uneven. The paper focuses on various factors that have an impact on the economic development and well-being in EU countries. Its purpose is to show the evolution of EU countries in terms of digital transformation and how other indicators, such as e-government, human development index, labour productivity, and economic growth influenced the well-being in EU countries in 2019–2021.

Design/methodology/approach: The dataset consists of 15 numerical indicators extracted from Eurostat and World Bank databases. We apply principal component analysis and cluster analysis.

Findings and Practical Implications: The main research results show that the first dimension – named the impact of innovation on well-being – is dominated by e-government, the percentage of ICT specialists in total, internet use by individuals, the Human Development Index, the Digitalization Index, the Happiness Indicator, human capital, and the integration of digital technology. The second dimension is characterized by government expenses and productivity. Finally, the third dimension is dominated by the GDP growth rate. 77.67% of the total variance is explained by the first three principal components.

Originality: Four clusters have been identified by means of the K-Means clustering algorithm. All four clusters are well determined, with cluster 1 including the three Nordic countries ranking first, followed by cluster 3 of well-developed countries and cluster 4 containing mainly emerging economies.

Keywords: public administration, digitalization, economic growth, well-being

JEL: I12, I18

1 Introduction

On 9 March 2021, the Commission set out its vision and prospects for Europe's digital transformation by 2030. This EU's "compass for the digital dimension" revolves around four key points: skills, infrastructure, government, and business. From this perspective, in our paper, we approach the transformations that took place in the three components in the period 2019-2021 in the EU states based on a set of fifteen representative variables (Androniceanu and Georgescu, 2021). The aim of the EU's digital strategy is for this transformation to benefit citizens and businesses and simultaneously contribute to creating a climate-neutral Europe by 2050.

The crisis generated by COVID-19 has created some major problems, which have significantly accelerated the use of digital tools, which have highlighted on the one hand the opportunities and facilities that are offered through them, but on the other hand, digital inequalities have also been highlighted (Androniceanu et al., 2022; Ivanová et al., 2021; Androniceanu and Marton, 2021). In our research, they are identified and analyzed on each component. Although interest in digital transformation and implicitly in digital skills increased during the COVID-19 pandemic, it is important to be aware that the pandemic did not generate a real transformation, but rather forced a series of emergency solutions, unsustainable and should not be replicated in a post-pandemic society (Kinnunen et al., 2021). However, in our paper, we can identify the impact of the measures taken by the EU states in the analyzed period (European Commission, 2019, 2020, 2021). The digitization of public services involves rethinking the way in which public institutions design and deliver services to citizens and the business environment, more precisely, the transition from the traditional way of organization and operation towards a customer-centric institutional ecosystem (Mali, 2020). Thus, digital transformation in-

volves the integration of digital technology in all aspects of a field of activity, which fundamentally changes the way it operates and provides distinct added value for stakeholders. Unlike digitalization, which involves adapting to new technologies, digital transformation involves profound changes.

Next, the paper is structured into three main sections. The first section contains the results of an extensive analysis of the basic concepts in the specialized literature. The following section includes the presentation and explanation of the research variables' content and the research components' determination and analysis. This is followed by a large section of analysis and discussions about the mutual influences of the factors and variables studied, as they manifested themselves in the analyzed period. The last part of the paper contains the main conclusions and future directions for further research.

2 Literature review

There is a diversity of works in the literature that address digitization, digitalization, and digital transformation, in general, and in different areas of social and economic life. Digitization is the transformation of physical, analog information (such as documents, photos, reports, invoices, contracts, etc.) into a format that can be stored and accessed from a computer, phone, tablet, USB stick, smart watch and other similar devices. Digitalization is the conversion of processes from manual to automatic. In practice, digitalization has different forms, but, in essence, it consists of the creation of databases that include several files with various documents, depending on the typology, to which access can be differentiated. Digital transformation is the process by which the content, form, and mode of processing and transmission of data and documents are changing in order to save time and material resources and thus increase efficiency. In the field of administration, these three concepts are practically three stages of an extensive and complex process (Balcerzak et al., 2022). These can generate major and necessary transformations that significantly improve the content and quality of activities and services, as also the governance process, transparency, and accessibility of government institutions (Kafel et al., 2021). The research carried out by us shows the progress registered by the EU states during the pandemic, their degree of digitization, and the impact of digitization on economic and social development. Digitization, in general, and in the public sector (Lindgren et al., 2019; Špaček, Csótó and Urs, 2020; Nikolina et al., 2020), in particular, as well as digital transformation, are the subject of an impressive number of definitions in the literature (Viana, 2021; Nathan et al., 2019). Public governance in the digital age involves the adoption of three main approaches: reintegration, holism, and digitalization (Bodemann, 2018). Reintegration involves the correlation and unitary integration of public services for citizens and the business environment, the integration of outsourced technologies and services, the use of common services, and the simplification of the process of delivering public services to government clients. The holistic approach involves reorganizing services based on focusing on the needs of citizens and businesses and de-

livering unique “one-stop-shop” services that allow for the simplified integration of services in one place.

In public administration practice, the goal of digitalization is to give every citizen the same access to services, information, and knowledge (Larsson, 2021; Tangi, 2021; Sidak et al., 2021; Löfving et al., 2022). This access will be provided through digital technologies. The proliferation of digital technology has had a beneficial effect on the efficacy and efficiency, as well as the quality and cost, of operations that are carried out by governments, communities, and individuals. New doors have been opened for sociopolitical participation on the part of citizens thanks to digital technologies (Vasiliades et al., 2021; Certomà, 2022; Sharma et al., 2022). The management of the interactions that take place between the state, regions, and localities, as well as the communication that takes place between public administration authorities and citizens, increasingly makes use of these technological advancements. The foundation of good governance is openness, transparency, accountability on the side of the government, and community participation in the process of policy development and execution. Digital technologies guarantee that these procedures are accessible and simple to carry out (Kim et al., 2022).

Digitization involves the definition, development, and implementation of digital media and tools with strategic impact, combined with process automation, intelligent use of data and information, as well as new social experiences in the online environment for citizens and public institutions (Strafford and Schindlinger, 2018). Digitization is not a goal and has never been, not even as a sector of activity, geographical sector, or segment of the population. It is a means of achieving certain goals, and certain needs of a segment of the population because digitalization comes as an answer to solving these needs.

Digitizing the administration means efficiency and transparency. It means electronic archiving of documents that, once digitized, can be searched and accessed anytime, anywhere. Digitizing the administration also means simplifying procedures and efficiency - which shortens the path from a state need to acquisition and leaves much less room for politically appointed people to intervene in the process while making the whole process much easier to verify (Rosenbloom, 2014).

Digitizing the administration means efficiency in procurement and ways to set cost standards, evaluate bids, and report theft almost automatically where they occur (Neamtu and Dragos, 2014; Munoz and Bolivar, 2018). Digitizing the administration also means holding the political factor accountable to the citizens: once every acquisition and decision is easily accessible and intelligible to the citizen, the politician can be sanctioned almost instantly by the press, civil society, and especially citizens and the business community (Moller, 2020). Digitization and digital transformation are complex, transformative processes with implications in all branches of society from jobs, education, health, and social security to the transformation of public services, the economy, and relations between states. The digital economy is expected to contribute to social and economic equality. At the same time, technology

will help increase access to education, jobs, and finance, even if, in the short term, it could lead to a reduction in repetitive work.

The growth of the digital economy has both obvious advantages and disadvantages, at least in terms of developments so far: on the one hand, it promotes economic growth (Arsić, 2020), information transmission, improving efficiency, creating of new public service platforms, facilitating daily life and so on, and on the other hand, it causes information insecurity, information shortages caused by the wealth gap, difficulties in regulating information, internet fraud, infringement of intellectual property rights, intrusion into privacy and other new challenges. Digitization has considerable consequences for the labor market and work organization, such as greater income disparities and reduced access to social security systems, which can be negative if not managed properly (Mura et al., 2021). As our research shows, there is a tendency to lose jobs in developed EU countries because employees, especially in the industrial sectors, are being replaced by cars. Mainly due to robotization, large groups of workers, including managerial levels, are currently fired. The middle class of society, especially those categories that were dependent in their prosperity on employment, are severely affected, as are the generations older of people whose contact with information technology was made later in active life. At the same time, there is the possibility for emerging countries to create new jobs in the field of communications, in order to promote the necessary investments for a territorial network in the field of optical fibers. Digitization is an opportunity to stimulate the economy, especially in emerging countries. There are already positive experiences, for example in the use of mobile telephony as a commercial trading tool.

There are still opportunities for new jobs, such as those related to caring for people, where technological change is not so decisive, at least for the moment. The new trends for the future of work are technology, digitization, robotics, and artificial intelligence. Digitization provides opportunities for surveillance and monitoring of people at work, endangering their autonomy and privacy. However, it is no less true that these systems lead to better use of working time. Therefore, digitalization has a major impact both on public administration, the economy, and the well-being of citizens in general. Through sets of specific variables for the four dimensions of our research, namely: digitization, administration, economy, and the well-being of European citizens are identified, analyzed, and compared (Androniceanu A.-M. et al., 2020). Then some of their most important and significant elements of impact in 2019-2021 are presented.

Many states have made the process of digitalizing their economies one of their top strategic development priorities in light of the current economic climate. The emergence of technologies that encourage the digitalization of the economy makes it possible for the state, corporations, and society to engage productively in order to facilitate the development of a process that is increasingly expansive and fluid (Bessonova and Battalov, 2020; Pucleanu et al., 2022). Innovation, economic development, and competitiveness are in-

creasingly being driven by the digital economy. Businesses expect their competitive advantage to increase as their services are provided through virtual channels and integrated into their operations management (Reis et al., 2019). Digitalization also contributes to economic development since the process and the product can both be automated, which leads to an increase in both production and quality in different economic segments (Maiti and Kayal, 2017). Vyshnevskiy (2020) in his study regarding the main problems in EU countries associated with industry's level of digitalization, showed that the industrial production growth rates of EU member states, which are among the world's most advanced in terms of digitalization, are significantly lower than those of other countries with a lower level of digital transformation. The following is an example of a theory that could explain why countries with high degrees of digitalization are seeing a comparatively slower rate of expansion in their industrial production (Vyshnevskiy, 2020). A high level of economic development results in a high level of digitalization, but it also sets the stage for a high level of output that falls into the trap of being harder to achieve with each passing percentage due to a substantial base of comparison. The comparison of Romania and the Netherlands is a good example of this. Romania is the 27th (last) (European Commission, 2022) among all EU countries in terms of the average rate of digitization and the 19th (Eurostat, July 2022) in terms of the average growth of industry volume. The Netherlands is the third in terms of digitization (European Commission, 2022) and ranks 21 in terms of the average increase of the industrial volume index (Eurostat, July 2022). Thus, it may be stated that digitalization (digital capital) does not necessarily have a significant impact on the relative (when comparing industrial production growth rates between countries) at this time (Barabashev et al., 2022).

The improvement of people's overall quality of life is another objective of the digitalization effort. Digitalization changes people's interactions with the world outside of them as well as their internal environment, including how they view themselves, the world, and what it is like to be human (Kryzhanovskij et al., 2021). This is why the evolution of society faces new obstacles as a result of digitalization. In Clark's opinion (Clark et al., 2018), the pattern of interconnections and conduct are the two primary factors that determine the direction of the influence that social networks have on an individual's subjective well-being (Gajdoš and Hudec, 2020).

The concept of digital transformation has been around since the 1990s, although frequently under different names, such as "e-government" (Bellamy and Taylor, 1998); nonetheless, there has been a recent resurgence in the emphasis placed on digital. Many researchers around the world whose primary focus is on the field of public administration are turning their attention to the question of how to implement a digital transformation of public management and administration (Dunleavy and Margetts, 2015; Corydon, Ganesan and Lundqvist, 2016; Urs, 2018). When all systems are fully integrated, digital transformation creates a significant link between the public and the government (Agostino et al., 2021). Since their systems are fully integrated, this implies that information is shared across the many public administration

authorities (Androniceanu et al., 2021). Digital transformation also presents some difficulties (Viana, 2021). Concerns arise over the construction, boundaries, and applications of information technology, as well as disparities in users' levels of access to the digital space. In addition to this, there is a lack of structure, which leads to inefficiencies in the delivery of online services as well as the disconnect between these services.

According to Mergel et al. (2019), there are two main factors categories that could influence digital transformation: internal and external factors. Among internal factors, we can find management type and bureaucracy (as in terms of a large number of physical files). The principal categories of external factors that influence digital transformation are legislative, administrative, political, economic, social, technological, and environmental (Scupola and Mergel, 2022; Szeiner et al., 2022). Merge et al. (2019) study results showed that from the external factors, the ones with the highest percentages that influence digital transformation are: technological change – 34% (technology); businesses sector evolution – 17% (economic); dynamic of citizens needs – 14.9% (social); external pressure from the environment – 12.7% (all the changes in politics, legal, economic, social, technologic and environment).

In the last decades, a new narrative has emerged in tandem with the digital transition in technology, such as in artificial intelligence and machine learning (Curtis, 2019) with beneficiaries' experience, engagement, and co-creation playing a vital role in service development and implementation (Casula et al., 2020).

The digital transition in technology is associated with the application of digital technology in all areas, such as business, public administration, education, and society. Digital platforms stimulated different organizations and tasks. Digital technology under various aspects such as artificial intelligence and robotization leads to the improvement of productivity. Both organizations and individuals should adapt to this digital transition by developing digital abilities. The paper is addressed to businesses, public administrations, government bodies, and other communities that face the challenges of digital transformation.

The main variables used and the way in which the data were analyzed but also the main results of the research can be found in Section 3. We apply Principal Component Analysis for 15 chosen variables and 27 EU member states and we obtain that the first 3 Principal Components (PCs) retain 77.67% of the total variance. PC1 is called the impact of innovation on well-being and administration. PC2 represents government expenses and productivity. PC3 is called the dimension of GDP growth rate. The next step of the research was to apply the K-Means clustering algorithm to detect 4 well-separated clusters. Cluster 1 with three Nordic countries places first in this ranking, followed by cluster 3 of well-developed countries and cluster 4 of mainly emerging economies. The most digitalized countries are the Nordic countries, having the highest economic growth and relatively low productivity, while the least digitalized countries in cluster 4 such as Romania and Bulgaria had the lowest economic growth, but the highest productivity.

3 Research variables, results and discussions

The research focuses on a number of variables that affect economic growth and well-being in EU member states. The major goal of this study was to demonstrate how the EU states have changed in terms of digital transformation and how other ICT-related variables have affected the growth and prosperity of the chosen nations from 2019 to 2021. The Principal Component Analysis was utilized as a method, and the data set for this study was composed of 15 numerical indicators gathered from the World Bank and Eurostat databases. The main research variables used are centralized in Table 1. The selection of variables was made according to the three parameters involved in the research, namely digitization, economic development, and the standard of living of the population of the EU states. The main components identified facilitate both the discovery of the factors that influence digitalization and the impact that digitalization has on the economic development and well-being of the population.

Table 1. The main research variables

Variable Label	Research Variable	Source
EXPG	Expenses % of GDP	World Bank
EG	E-Government (Individuals using the internet for interaction with public authorities)	World Bank
ECOM	Enterprises with e-commerce	Eurostat
ICT	Employed ICT specialists -% of total	Eurostat
GDPG	GDP growth rate	World Bank
INTUSE	Internet use by individuals	Eurostat
PROD	Real labour productivity per person employed	Eurostat
HDI	Human Development Index	World Bank
WHI	Life Ladder Index	https://worldhappiness.report
RDE	Research and development expenditure, by sector of performance	Eurostat
HC	Human Capital	https://digital-strategy.ec.europa.eu
CON	Connectivity	https://digital-strategy.ec.europa.eu
INT	Integration of digital technology	https://digital-strategy.ec.europa.eu
DIG	Digital public services	https://digital-strategy.ec.europa.eu
DESI	The Digital Economy and Society Index	https://digital-strategy.ec.europa.eu

Source: Authors's selection based on Eurostat and World Bank databases

The data set composed of 15 numerical indicators/variables collected from Eurostat and World Bank databases for 2019 and 2021 are relevant for our research and are briefly presented below.

Expenses % of GDP - The public's daily life and the media both demonstrate how in time, the GDP, progress, and even well-being eventually become synonymous. Indicators of living standards and comparative assessments of welfare typically employ the GDP (Frajman Ivković, 2016). Progress has become crucial in today's society in all areas. Progress can be broadly characterized as a desirable future condition when some beneficial developments are made. Progress has been defined differently over time. In other words, in addition to the objective, hard economic statistics, we also need subjective, soft indicators, or so-called alternative metrics, to assess success (e.g., various indicators of human progress, well-being, quality of life, happiness, etc., which consider how the public perceives things). Abdallah et al. (2009) argue that for more than 50 years, the illusion of economic development as a sign of progress predominated. The GDP has been used for many years in economics as a broad indication of development, and it is already widely regarded as a gauge of development, wealth, and even well-being. According to Michaelson et al. (2009), contemporary society is built on a development model in which greater economic output immediately raises people's standards of living and enhances their quality of life. Authors like Frajman Ivković (2016) claim that the previous major financial crisis serves as evidence that tracking and expanding economic output (measured by GDP) over time has shown to be an ineffective way of progress evaluation.

E-Government (Individuals using the internet for interaction with public authorities). E-government, according to Norris (2010), refers to the external IT applications for a range of tasks and activities, including government to citizen, government to business, and government to government interactions. The provision of government information and services is a common definition of e-government. 365 days a year, seven days a week, and around the clock via the Internet, transcending distance and time (Msosa et al., 2022; Moon and Norris, 2005; Moon, 2002).

Enterprises with e-commerce refer to businesses that sell to overseas markets online (EU or rest of the world), businesses that conduct online sales through their own websites or applications, and even businesses that sell online through e-commerce platforms. On Eurostat (n.d.) e-commerce is broadly described as the exchange of products or services electronically using the internet or other computer-mediated (online communication) networks between businesses, households, people, or private organizations. Although the payment and the actual delivery of the ordered goods or services may take place online or offline, the phrase refers to placing orders for them via computer networks (Altounjyet al., 2020).

Employed ICT specialists -% of the total. The study focuses on the human capital component of DESI, particularly on employed ICT professionals and the labor force's digital capabilities (percent of total employment). Herman

(2020) points out in her study that in Romania as well as the rest of the EU, demand for ICT specialists in the labor market increased between 2008 and 2018. Both in terms of the employment of ICT professionals as a percentage of the entire labor force and the rate at which this percentage is increasing, Romania lags behind the EU significantly. Despite recent good trends, the employment potential of specialized ICT skills is still underutilized given that by 2020, the EU was projected to have a growing shortage of ICT specialists (European Commission, 2017; Herman, 2020).

GDP growth rate. Di Telia et al. (2003) examined how macroeconomic factors affected happiness. The authors discover evidence that, between 1975 and 1992, national happiness in Europe was influenced by both GDP level and GDP change. The impact of GDP growth on life satisfaction is consistent with theories of adaptation, which contend that the advantages of more income diminish over time (Perovic and Golem 2010). In addition, inflation, the unemployment rate and a measure of the welfare state's generosity are included by Di Telia et al. (2003); all of these variables are found to be significant at normal levels and to exhibit the predicted signals.

Internet use by individuals. Those without access to the internet could suffer economic disadvantages as it becomes a more vital instrument in our lives. The effect of ICT investment on economic performance appears to vary. According to Roller and Waverman (2001), a critical level of telecommunications infrastructure results in rising returns on growth. Their research focuses on the role of telecommunication in economic growth. Their findings suggest that wealthy nations with adequate telecommunications infrastructure may have greater growth effects than emerging nations.

Real labour productivity per person employed. Goschin (2014) showed that in both of the researchers' built models, labor force and capital are substantial and positively influencing elements for macroeconomic growth. Real labor productivity per employed person is an important variable that reflects the quality and structure of the workforce in the second model Goschin (2014) developed. These variables have the anticipated favorable effect on GDP growth. Other researchers, like Bloom, Canning, and Sevilla (2004), affirm in their study that a healthier population may produce more through increased labor productivity as well as capital accumulation. In addition to demonstrating how inputs and technologies impact output, a fully developed model of economic growth would also demonstrate how inputs' growth rates and productivity are established. According to Caran et al. (2016), Romania's labor productivity per employee reached a very high level, significantly higher than the EU average, during the crucial years between 2002 and 2004, when increases in labor productivity of 17.0 percent and 10.3 percent had a big impact on economic growth.

Human Development Index. According to Blanchflower and Oswald (2006) one of the most well-known attempts to shift away from an exclusive focus on GDP is the Human Development Index (HDI). Despite the work put into this index, there is a strong correlation between HDI and GDP, which means that,

for purposes of international comparison, the index does not provide any additional information beyond what we would have learned from GDP rankings (Perovic and Golem 2010). Additionally, as Blanchflower and Oswald (2006) point out, the HDI does not accurately reflect a person's psychological condition. There must be some indication of subjective well-being, or happiness.

Life Ladder Index. In terms of GDP per capita, life ladder elasticity has a positive sign and a statistical meaning; the effect is reliable and significant as a factor having an impact on the economy. So, at a 1 percent growth in GDP, the life ladder would rise (cumulatively) by an average of 0.829 percent (Ciorbagiu and Stoica, 2020). But how might the relationship be explained: a higher degree of happiness is correlated with a higher level of personal income. With such money, people have greater access to a fulfilling social life, better services for maintaining or restoring their bodily and mental health, and ultimately, greater well-being.

Research and development expenditure, by sector of performance. Researchers and policymakers who view investing in knowledge as a prerequisite for reaching a high growth rate have given specific focus to the function of research and development (R&D). The new growth paradigm emphasizes the significance of knowledge as the primary force behind economic expansion. The evolutionary approach, which views technology as the primary source of economic growth, and the endogenous growth theory, which interprets technological advancement as a byproduct of economic activity, are the two key components of the new growth theory. The world's living standards are rising as a result of investment in R&D and innovation, especially in industrialized nations where innovation is more heavily funded and new technology is adopted more swiftly (Morina, 2019). Pop Silaghi et al. (2014) investigated how R&D spending affected performance by sector. They come to the conclusion that while private R&D spending promotes economic growth, public R&D spending plays minimal influence. In order to promote innovative activity in businesses and through direct spending on education and training, the government should enact policies like tax credits and subsidies. Additionally, the government would offer incentives to businesses that presented extraordinary innovations and fresh concepts. On the other hand, Szarowská (2016) finds that government R&D spending is the primary engine of economic growth after examining the impact of R&D in 20 EU nations over the years 1995–2013.

The Digital Economy and Society Index. According to European Commission (2019) the EU countries' advancement toward a digital economy and society are using the Digital Economy and Society Index (DESI) in order to measure it. This composite index includes the following five key aspects of the digital economy and society: **connection** (connectivity), **human capital**, **internet use**, **digital technology integration**, and **digital government services**. The present research analyzed in-depth the five sub-indicators briefly presented above, which are components of DESI.

In order to reduce data dimensionality, we apply Principal Component Analysis (PCA) (Kassambara, 2017; Jolliffe, 2002) as a dimensionality reduction tech-

nique that transforms the variables of a dataset organized in columns into a set of new features called Principal Components. Organizing the information on PCs, the data dimensionality is reduced without losing much information. PCs are new uncorrelated variables constructed as linear combinations of the initial variables. In summary, PCA consists of the following steps. After data scaling, we compute the eigenvalues and the eigenvectors of the covariance matrix. Applying various criteria for retaining a certain number of PCs, we will identify the PCs in order of significance, such that the first PC accounts for the highest variance in the dataset. The second PC will capture the next highest variance, etc. In the last step, the data are oriented to the axes represented by the PCs.

In our case, we compute first the eigenvalues which quantify the amount of variation retained by each principal component (PC), as can be seen in Table 2.

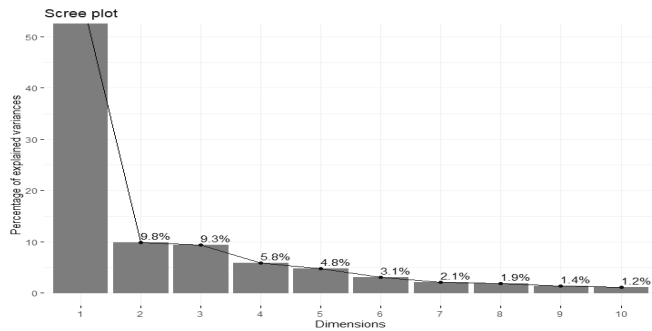
Table 2. Eigenvalues and the cumulative variance

	eigenvalue	variance.percent	cumulative.variance.percent
Dim. 1	9.357073235	58.48170772	58.48171
Dim. 2	1.575720900	9.84825563	68.32996
Dim. 3	1.495005523	9.34378452	77.67375
Dim. 4	0.932811398	5.83007124	83.50382
Dim. 5	0.769851798	4.81157374	88.31539
Dim. 6	0.491540331	3.07212707	91.38752
Dim. 7	0.335977619	2.09986012	93.48738
Dim. 8	0.300057547	1.87535967	95.36274
Dim. 9	0.226449480	1.41530925	96.77805
Dim. 10	0.187224098	1.17015061	97.94820
Dim. 11	0.138793784	0.86746115	98.81566
Dim. 12	0.074361881	0.46476176	99.28042
Dim. 13	0.062507196	0.39066997	99.67109
Dim. 14	0.029025716	0.18141073	99.85250
Dim. 15	0.021982600	0.13739125	99.98989
Dim. 16	0.001616893	0.01010558	100.00000

Source: Authors's own computation

The sum of eigenvalues gives a variance equal to 10. The second column contains the variation explained by the eigenvalues. The first eigenvalue explains 58.48% of the total variance. In the third column is shown the cumulative variation. The first 3 PCs explain together 77.67% of the total variance, applying Kaiser's rule. According to the principle of the proportion of variance explained, we will retain the first 3 PCs. The same conclusion is drawn by the scree plot presented in Figure 1.

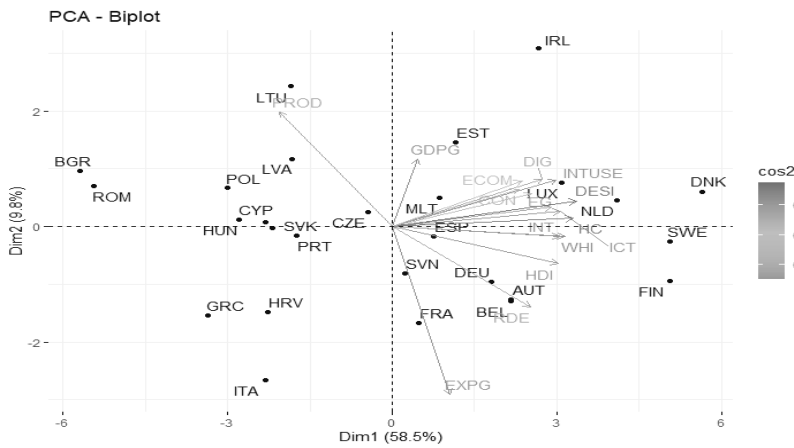
Figure 1. Scree plot explained by principal components



Source: Authors's own determination

Next, we discuss the variables according to their quality of representation on the factor map and their contributions to PCs. The particularities of variables in the EU countries are reflected in figure 2. The biplot (Greenacre, 2010) is a plot that contains information on the observations and variables simultaneously. On a biplot one can notice the relations between variables, the distances between observations according to their similarities and the inner products between observations and variables. The correlations of variables can be seen on the factor map below. Positively correlated variables are grouped together. Negatively correlated variables are positioned in the opposed quadrants.

Figure 2. PCA biplot with countries and variables



Source: Authors's own determination

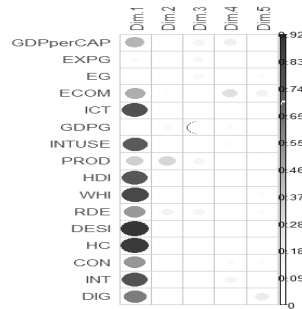
All variables are situated far away from the origin; therefore, they have a good representation on the factor map. High cos2 values indicate strong correlations between variables and PCs. Variables with high values of cos2 are situated close to the circumference of the correlation circle. Smaller values of cos2 correspond to variables closer to the center of the circle.

In Figure 2, variables with middle values of \cos^2 are: PROD, ECOM, DIG, CON, and RDE. Variables with low values of \cos^2 are represented by GDPG. The remaining variables have high values of \cos^2 . The biplot summarizes the determinants of the first two dimensions. Countries like Estonia, Denmark, Sweden, Finland, France, Belgium, Austria, Germany, Slovenia, Spain, Luxembourg, Malta and Netherlands have as strong determinants: GDPG, ECOM, DIG, INTUSE, DESI, INT, EXPG, HDI, WHI, CON, EG and RDE. On the opposite pole are Romania, Bulgaria, Poland, Hungary, Croatia, Greece, Czech Republic, Latvia, Slovakia, Cyprus, Portugal, and Italy. The location of countries in Figure 2 proved that the countries situated in the right quadrant are mainly developed economies that had to accelerate economic growth and fast digitalization. As a consequence, the Human Development Index and the Life Ladder Index, which are equivalent to the happiness indicator, have higher values. In developed economies, situated in the right quadrant, a quick process of digitization leads to economic growth.

On the left quadrant in Figure 2 lie mainly emerging economies, which are more export-oriented and whose benefits from digitization come more from employment than from economic development.

In Figure 3 \cos^2 (square cosine) gives the quality of variable representation on the factor map. The square cosines of variables on the first 5 PCs are represented in Figure 3.

Figure 3. The \cos^2 of variables on the first 5 PCs



Source: Authors's own determination

The three dimensions are not correlated. The first dimension is dominated by EG, ICT, INTUSE, HDI, WHI, DESI, HC and INT. It means that the first dimension will be called the impact of innovation on well-being and administration. The second dimension is characterized by government expenses EXPG and productivity PROD. On the biplot in Figure 2, government expenses and productivity point out in opposite directions, meaning that they are negatively correlated: when government expenses are relatively high, productivity is relatively low. Finally, the third dimension is dominated by GDP growth rate. It means that digitalization will have implications for technological progress in other areas. Policymakers should create digitization strategies for the sectors in which the impact of digitization is not seen yet. At the same time, policy-

makers should encourage consumers, industries, and public administration to use digital services on a larger scale.

The next step of the research is to apply K-Means clustering algorithm (MacQueen, 1967) to detect 4 well separated clusters. K-means algorithm is a clustering technique which groups the objects of a dataset into k similar clusters. The steps of the K-means algorithm are the following:

k points called means are randomly initialized.

Each object in the dataset is assigned to the closest mean and the mean's coordinates are updated as the averages of the objects in that cluster.

The process is repeated for a given number of iterations.

In our case, the composition of the four clusters is the following:

Cluster 1: Croatia, Italy

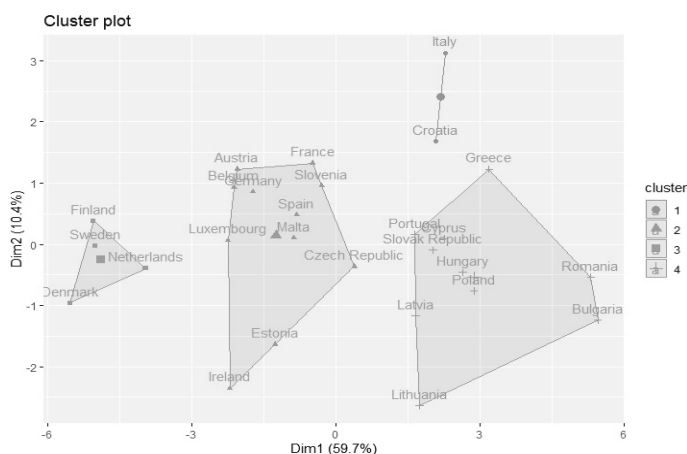
Cluster 2: Austria, Belgium, Czech Republic, Estonia, France, Germany, Ireland, Luxembourg, Malta, Slovenia, Spain

Cluster 3: Denmark, Finland, Netherlands, Sweden

Cluster 4: Bulgaria, Cyprus, Greece, Hungary, Latvia, Lithuania, Poland, Portugal, Romania, Slovak Republic

Figure 4 reveals a good separation of the four clusters in a plane whose axes are the first two principal components.

Figure 4. Cluster Plot



Source: Authors's own determination

Table 3 contains the cluster means after data scaling. The countries in cluster 3, mainly Nordic countries, have the highest governmental expenditure, e-government level, the highest number of enterprises with e-commerce, ICT specialists, and all indicators related to digitalization, but lower productivity,

and are the happiest countries at the same time. The positive impact of digital technologies on happiness is analyzed by Mochón (2018), which believes that by a global and open communication of information, breaking down barriers and creating social networks, digital life improves well-being.

Table 3. Cluster Means

Cluster	EXPG	EG	ECOM	ICT	GDPG	INTUSE	PROD	
1	0.702	-1.457	-0.356	-0.616	-2.20	-1.322	-0.837	
2	-0.058	0.239	0.325	0.344	-0.286	-0.427	-0.410	
3	0.798	1.486	1.082	1.535	0.873	1.157	-0.645	
4	-0.395	-0.566	-0.719	-0.869	0.406	-0.668	0.877	

Cluster	HDI	WHI	RDE	HC	CON	INT	DIG	DESI
1	-0.56	-0.803	-0.434	-0.783	-0.827	0.156	-0.666	-0.6
2	-0.543	0.387	0.304	0.32	0.23	0.27	0.432	0.377
3	1.172	1.5	1.278	1.667	1.392	1.58	0.971	1.562
4	-0.955	-0.865	-0.759	-0.862	-0.644	-0.96	-0.731	-0.919

Source: Authors's own determination

As a result, the countries in cluster 3 also have the highest DESI index. Cluster 2 which contains the most developed economies ranks second in terms of the number of enterprises with e-commerce, e-government digitalization, the number of ICT specialists, digital public services, happiness indicators, and the DESI index. Cluster 1 ranks third with respect to the majority of indicators and the DESI index. The last position in this ranking is occupied by the countries in cluster 4, where Romania and Bulgaria are placed. According to Figure 4 and Table 3 and taking into account the above remark that government expenses and productivity are negatively correlated, one can notice the relatively low productivity in clusters 1, 2, and 3, and relatively high productivity in cluster 4; and the relatively low economic growth in clusters 1 and 2, and relatively high economic growth specifically in cluster 3, but also in cluster 4. This implies that the most digitalized Nordic countries included in cluster 3 had the highest economic growth, but low productivity, while the least digitalized countries of cluster 4 (including e.g., Romania and Bulgaria) had the lowest economic growth, but the highest productivity.

4 Conclusions

In this paper, we applied Principal Component Analysis to study the panel of 27 EU member states and 15 variables as a simplified structure of three principal components, which explain together 77.67% of the original variance. The first dimension is dominated by e-government, the percent of ICT specialists in total, internet use by individuals, Human Development Index, Digitalization

Index, Happiness Indicator, Human Capital and integration of digital technology (Georgescu et al., 2020). It means that the first direction will be called the impact of innovation on well-being and administration. The second dimension is dominated by government expenses and productivity, which are negatively correlated. Finally, the third dimension is dominated by GDP growth rate. The combination of these indicators influencing the first PC measures the short-term effects of digitalization on public administration.

Another part of the research is dedicated to a clustering of the EU countries in 4 clusters by means of K-Means clustering algorithm. All four clusters are well determined, with a ranking in which cluster 1 which contains three Nordic countries places on top, followed by cluster 3 of well-developed countries, and cluster 4 of mainly emerging economies. The most digitalized countries are the Nordic countries, placed in cluster 3, having the highest economic growth and relatively low productivity, while the least digitalized countries in cluster 4 such as Romania and Bulgaria had the lowest economic growth, but the highest productivity.

The short research period does not allow identifying long-run effects and it can be viewed as a limitation of the study. While the effectiveness of digitalization specifically on economic growth and productivity can be hard to show in such a short research period, 2019-2021, the correlation between digitalization and well-being can be easily seen. In future research, we propose to extend the analysis period and increase the number of research variables

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The Centrality of Prosocial Values in Work Motivation among Public and Private Sector Employees

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ABSTRACT

Purpose: The paper proposes an alternative measure of the importance of prosocial values in the work motivation of public and private sector employees. Hitherto research measures the importance of values by taking them as autonomous entities or using a factorial design, asking employees whether they adhere to a certain value or not.

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Design/methodology/approach: Based on a psychological theory on values and motivation, the paper argues that it might be preferred to measure the centrality of prosocial values amidst other job motivators in the value system as a whole to assess the degree of prosocial values' dominance.

Findings: The application of such a measure in a longitudinal and international comparative analysis shows that differences in the centrality of prosocial values make the difference between employees in the public and private sectors much more pronounced than usually found in the relevant literature. This finding does not disappear when the research model includes the nature of the job, individual characteristics, and societal features, such as the GDP per capita and the dominance of individualism over collectivism in society.

Significance: This research also shows that differences between employees adhering to intrinsic, extrinsic, and prosocial motivations are relative, as almost all employees – irrespective of where they work – assess values of job security and having an interesting job to be the most important work motivators.

Keywords: prosocial values, job motivation, comparative analysis, International Social Survey Programme (ISSP)

JEL: 100

1 Introduction

This article intends to contribute to the discussion on work motivation in two ways. First, it proposes a novel way of measuring the adherence to prosocial values. This proposal is based on psychological research on values and motivation (Rokeach, 1973) in which not the adherence to such values as such, but rather the centrality thereof amidst a range of values is judged to be important. Second, this paper intends to contribute to the discussion about the explanatory power of pro-social values amidst other work motivators.

The values that motivate employees in their work have received enormous attention (Kanfer et al., 2017; Van den Broeck et al., 2021) as they are strongly related to performance, job engagement, and innovative practices by employees (Cerasoli et al., 2014; Grant and Berry 2011; Judge et al., 2001; Ng et al., 2012; Papaioannou et al. 2006; Vallerand 2007; van Egmond et al. 2017) Theories about intrinsic and extrinsic motivation (Grant and Berry, 2011), the importance of prosocial values (Abid et al, 2018), and the self-determination theory (Deci and Ryan, 2008) have resulted in widespread attention and a continuous flow of research.

Intrinsic motivation refers to motivation to behavior that is driven by internal rewards because these people judge the behavior to be important in itself. Extrinsic motivation results in behavior that is driven by external rewards such as money, fame, grades, and praise. Prosocially motivated employees distinguish themselves by their desire to create value in their communities through behavior that helps others and alleviates the suffering of people who face

challenging circumstances (Williams and Shepherd, 2010). The expectation is that especially employees in the public sector have a prosocial motivation, as it is in the nature of the public sector to do good for society, to develop policies to resolve societal problems, and to take care of those people who are unable to solve their problems on their own (Perry, 1996; Denhardt and Denhardt, 2007).

The empirical research into this subject is often based on survey questions, in which the respondents are asked to choose a point on a 3-, 5- or 7-point Likert scale indicating whether they judge an item that is indicative of work motivation to be not important at all or at the other extreme of utmost importance, or somewhere in between. At the aggregate level, one can then establish what kind of motivation is dominant within an organization.

At the individual level, groups of respondents can be distinguished given the similarity in their answers, or the researcher uses a factorial design to investigate the degree to which several items are indicative of the same kind of motivation and to measure whether respondents score high on items indicative of intrinsic motivation, on the items indicative of extrinsic motivation, and items indicative of prosocial motivation.

Such measures are used to analyse the predictive power of the constructs regarding performance, job satisfaction, stress, the inclination to innovate, work engagement, the specific kind of training needed, the kind of supervision needed, or whatever the researcher is interested in. The work motivators can also be used as the dependent variable with the analysis aimed at finding explanations for the scores by independent variables such as the nature of the work, the kind of socialization, the type of leadership, organizational culture and structure, gender, age, et cetera.

This article argues that there are good arguments to take an alternative approach in the measurement of values indicative of work motivation. We suggest a measurement in terms of the mutual relative importance of such values taking the centrality of values in the value-system as a whole as crucial, instead of measuring the importance of each item separately or as items in factor analysis.

Therefore, in this article we aim to explore two research questions:

1. How does the measurement of the centrality of prosocial values within the value system of individuals compare to current measures of work motivation in which the importance of prosocial values as such is measured?
2. What does this kind of measurement imply for the impact of such values in causal analyses?

In section 2 we present the theory on which we base our proposal and we explain how work motivation is measured using this approach. Subsequently, we will apply this measure in a multivariate analysis to see how this approach impacts outcomes in comparative research. In section 3, we give an account of the empirical data used, and of the methods used for the statistical analysis

thereof. This is the prelude to the presentation of the outcomes of comparative research into such values. The article ends with a discussion of the outcomes and conclusions.

2 Theoretical explanations for the adherence to prosocial values

Prosocial values are said to be especially important in the public sector as the work done by public employees is distinctive from the work done in the private sector (cf. Perry and Wise, 1990; Ranson and Stewart, 1994). Perry and Wise (1990) talked about the psychological dimension and the need for a work motivation to be based on a commitment to the public interest, compassion, and, if necessary, even self-sacrifice. They called this public service motivation. Ranson and Stewart (1994) talked about contextual differences, contending that public officials need to understand the political process and have to work with elected politicians, need an understanding of the different roles of citizens, need to work amid public pressure and protest, and need to have a feeling for the management of rationing, influence, multidimensional performance, and the wider responsibilities to a changing society (Pollitt, 2016, p. 14).

In public administration literature, it is assumed that within the public sector, prosocial values are values associated with the public sector's contribution to society, values associated with the transformation of interests to public decision making, values associated with the relationship between the public administration and politicians, values associated with the relationship between public administration and its environment, and values associated with intra-organizational aspects of public administration (cf. Jørgensen and Bozeman, 2007; Perry, 1996; Denhardt and Denhardt, 2007).

In this article, we not just measure what people judge to be important in their work, but rather what is central in their work motivation. In existing research, the results of such surveys are used to see what items are most often mentioned as important. Or the researchers use a factorial design to see which items indicative of work motivation are mutually related and whether the factors found reflect the types of work motivation as suggested in theories on work motivation (for instance, intrinsic and extrinsic motivation). Such measurement is known as mean level measurement as it is based on the mean scores and standard deviation of each item separately.

Recent psychological reasoning recommends distinguishing between such mean level importance of separate values and rank ordering values in value systems. In rank order measurement the relative importance of items indicative of work motivation is crucial. An employee can tell that prosocial values are important for him or her, but perhaps intrinsic and extrinsic work motivators are much more important for that respondent. Just measuring how many respondents judge the prosocial values to be important fails to acknowledge the position of those values within the value system of each respondent. Constructing factors based on the association between various items indicative

of work motivation is a more advanced method but also fails to measure the centrality of the values in the value system as a whole.

Psychologists also argue that investigating the mean level importance of single values might not reveal much as prosocial values are valence issues and not position issues. At the micro-level, the adherence to values is explained by education and socialization, gender and age, although the adherence is assumed to be relatively stable through adulthood. Only in the case of so-called critical junctures—going to school for the first time, entering university, getting a first job, getting married, or buying a house—the adherence to such values might change (Bardi et al., 2009; Rokeach, 1973). At the meso-level, the adherence to values is determined by the context in which someone works, i.e. being exposed to values of the public or private sector and the position one has in the organization (Gutierrez and Van der Walle, 2018). At the macro level, national culture, relative wealth, historical conditions, and administrative traditions are seen as determinative for the adherence to values (Gutierrez and Van der Walle, 2018).

The resulting hypotheses formulated to explain the adherence to specific values as such also apply to the centrality of pro-social values within the value system. The hypotheses then read that at the individual level gender, age, and education are expected to determine the adherence to prosocial values. At the institutional level, the hypotheses read that the sector of employment and managerial position of respondents impacts on the centrality of prosocial values in the individual's value system. At the macro-level, we expect that the wealth and a country's score on the cultural dimension of individualism versus collectivism are explaining variables for the centrality of pro-social values in an individual's value system.

The centrality of prosocial values is measured by calculating the rank order of these values amidst all (available) job motivation indicators, i.e. the idea is to measure the relative importance of each value. This approach ranks the prosocial values within the whole system of work motivators. In this view, a value change entails a change in the whole system of values in the sense that a change in the importance of one value should entail a change in the hierarchy of values (cf. Rokeach, 1973).

Although we will account for the data used, i.e. the ISSP questionnaire in the next section, it is insightful to present the differences between the two approaches already in this section. We use the survey of the International Social Survey Programme (ISSP). The battery of questions on work motivation in the ISSP asks respondents: *"From the following list, please tick one box for each item to show how important you personally think it is in a job"*. This includes two items indicative of a prosocial work motivation:

- How important is a job that allows someone to help other people?
- How important is a job that is useful to society?

Table 1 gives the percentage of respondents in the countries involved that judge prosocial values as important or very important as work motivators.

Table 1. Trends in prosocial values across survey years, countries and sectors

Important: Job that allows someone to help other people								
Country	Absolute importance for people working in the public sector (% judging this (very) important)				Absolute importance for people not working in the public sector (% judging this (very) important)			
	1989	1997	2005	2015	1989	1997	2005	2015
Great Britain	75.62	77.44	77.58	80.58	67.16	71.91	70.11	67.40
New Zealand	--	75.93	81.58	83.49	--	73.52	77.58	81.88
Czech Republic	--	79.00	79.89	78.08	--	68.78	64.03	66.53
Hungary	78.89	80.73	82.91	74.06	76.90	71.31	72.11	58.00
Slovenia	--	92.07	90.31	91.41	--	87.20	85.26	89.97
Germany	74.26	72.96	--	78.08	56.53	61.35	--	65.96
Spain	--	88.13	89.16	92.55	--	83.97	82.71	87.38
France	--	62.67	68.71	70.79	--	60.34	53.51	58.18
Norway	69.75	72.86	73.69	74.95	55.79	62.85	59.60	60.59
Sweden	--	82.53	81.16	82.13	--	64.75	58.81	61.28
Denmark	--	86.67	81.70	83.77	--	76.94	66.45	62.94
Israel	62.66	82.39	86.59	83.68	66.21	81.92	89.16	78.54
Japan	--	74.42	78.18	64.47	--	65.28	66.67	56.26
Poland	--	86.09	--	83.15	--	80.00	--	73.60
Switzerland	--	68.87	87.14	88.85	--	68.85	81.18	79.94
Important: Job that is useful to society								
	Absolute importance for people working in the public sector (% judging this (very) important)				Absolute importance for people not working in the public sector (% judging this (very) important)			
	1989	1997	2005	2015	1989	1997	2005	2015
Great Britain	76.38	77.73	76.45	82.96	67.61	66.46	64.95	66.10
New Zealand	--	70.37	81.14	84.46	--	69.68	72.17	76.10
Czech Republic	--	71.72	79.89	80.82	--	68.23	67.07	66.77
Hungary	89.30	85.85	88.84	83.55	89.09	78.80	78.89	69.09
Slovenia	--	93.59	89.43	89.04	--	85.74	82.52	87.71
Germany	79.21	69.75	--	84.19	63.46	56.62	--	68.16
Spain	--	91.38	90.36	96.28	--	85.29	80.32	89.22
France	--	72.81	77.21	82.86	--	64.00	61.14	64.12
Norway	84.53	76.28	76.06	83.89	65.86	58.99	53.15	58.13
Sweden	--	73.98	73.16	81.42	--	60.11	50.75	55.20
Denmark	--	82.08	74.72	82.12	--	69.42	61.65	60.15
Israel	69.34	84.37 83.73	89.38	81.79	74.18	79.26 73.93	85.77	76.49
Japan	--	83.73	81.82	78.05	--	73.93	73.67	64.50
Poland	--	88.31	--	81.08	--	81.82	--	74.22
Switzerland	--	73.33	88.09	91.08	--	67.19	81.01	82.93

Data source: ISSP module "Work Orientations", waves I-IV.

Table 1 shows that in every country involved, the majority of respondents working in the public sector as well as in the private sector judge prosocial values to be important. This is characteristic of valence issues given the broad amount of consensus among the respondents. Significant differences between employees working in the public and private sector can be seen, especially in the West European countries (Great Britain, Sweden, Norway, Denmark, Germany, France), but even in these countries, the majority of respondents working in the private sector still judge prosocial values to be important. Such an analysis is suggestive in portraying the outcomes as being indicative of the importance of prosocial values among employees and giving an overly optimistic picture of the importance of prosocial values.

Dealing with such valence issues, their centrality in the value system is deemed to be more useful in empirical analysis than the simple adherence to such values as such. The centrality of prosocial values can be measured through calculating the rank order of these values amidst all (available) job motivation indicators (measuring relative importance). The ISSP questionnaires on work motivation contain five additional questions concerning intrinsic and extrinsic job motivators asked in all the rounds of the module. These items were formulated as follows:

- How important is job security?
- How important is high income?
- How important are good opportunities for advancement?
- How important is an interesting job?
- How important is a job that allows someone to work independently?

Given the distinction between seven values, calculating the relative importance of pro-social values provides a range from 1 when a prosocial value is ranked the lowest among all the work motivation values) to 7 - when a prosocial value is ranked the highest among all the work motivation values). A score of 7 is achieved if a respondent only judges the prosocial value to be very important and the other values to be just important or not important. The measurement of rank-based work motivators results in outcomes as given in table 2-a presenting the results for respondents working in the public sector, and 2-b presenting the results for respondents in the private sector.

Table 2. Average ranking of work motivation items

A. Average ranking of the analysed work motivation items among people working in the public sector

How important do you think the following are in a job?	Public sector			
	1989	1997	2005	2015
Job security	5.02	4.98	4.94	5.07
An interesting job	4.81	4.98	5.03	4.96
A job that is useful to society	3.68	3.770	3.80	3.99
A job that allows someone to help other people	3.36	3.75	3.88	3.87
A job that allows someone to work independently	3.71	3.90	3.81	3.71
High income	3.63	3.50	3.38	3.18
Good opportunities for advancement	3.66	3.10	3.05	3.14

B. Average ranking of the analysed work motivation items among people not working in the public sector

How important do you think the following are in a job?	Non-public sector			
	1989	1997	2005	2015
Job security	5.17	5.10	4.96	5.13
An interesting job	4.72	4.82	4.84	4.73
High income	3.97	3.78	3.90	3.76
A job that allows someone to work independently	3.79	3.88	3.92	3.74
A job that is useful to society	3.43	3.48	3.45	3.61
A job that allows someone to help other people	3.10	3.51	3.52	3.54
Good opportunities for advancement	3.70	3.31	3.30	3.41

Note: A score of 7 is highest possible, implying that such an item is the most important of all, while a score of 1 implies it is the least important of all seven items. Average rule was used as the method for determining the rank of evaluations of items when they coincided (were 'tied'). In these cases, all the 'tied' values were replaced by their average rank value. Presented are the average scores over all respondents.

Data source: ISSP module "Work Orientations", waves I-IV.

Tables 2-a and 2-b show that irrespective of the importance attached to prosocial values as such, their rank in the value system is not the highest when compared to the other five work motivators. For employees in the public sector as well as in the private sector, job security and having an interesting job are the two values most central. This puts the outcomes of the previous analysis in perspective. Doing good for society and helping others might be important, but not as important as job security and an interesting job.

The main difference between public sector and private sector employees is that for employees working in the latter sector high income and a job that allows one to work independently are also more central in the value system than the prosocial values, while this is the reverse for people in the public

sector. In the private sector, employees might judge prosocial values to be somewhat important, but intrinsic and extrinsic values are more central in their value system.

Concluding, the rank-based measurement of the centrality of values indicative of work motivation has merits. It puts the importance attached to specific values in perspective, because it is indicative of what matters most to employees, and is in accordance with psychological theory telling that the adherence or non-adherence to prosocial values is not a simple dichotomy, but a matter of degree, i.e. of the centrality (relative importance) of such values within the value-system of an individual¹. Using very straightforward indicators makes one overly positive about the prominence of prosocial values because a high percentage of the respondents will say 'sure, that is important'. Looking at the relative importance of prosocial values amidst other job motivators, makes one more sceptical about the prominence thereof, as many people will tell you, "well, my job security and my personal interests are, of course, more important than a job that is useful for society or a job that allows me to help others'. At the same time, the differences between employees working in the public and private sector remain, as people working in the private sector consider the two prosocial values to be among the least important job motivators while their centrality in the value system is significantly higher among employees in the public sector.

This article continues by using this rank-based method to investigate whether associations found in previous research still hold when using this alternative measure and what the outcomes are concerning expected relations with other factors, such as the nature of the work, personal characteristics, and national culture.

As told above, in public administration it is expected that prosocial values are more prominently visible among employees in the public sector compared to those in the private sector. Prosocial values are said to be especially important in the public sector as the work done by public employees is distinctive from the work done in the private sector (cf. Perry and Wise, 1990; Ranson and Stewart, 1994). It was also found that personal characteristics such as age and gender are important as older people and women are expected to adhere more intensely to prosocial values than younger people and men (de-Hart et al., 2006; Parola et al., 2019). Concerning age, Erikson (1963) specified that generativity concerns – a desire to serve and guide the next generation and to leave a lasting, positive impact on society – play an increasingly important role in people's lives as they age making prosocial values more important for older people (Parola, 2019, p. 1400). As for gender, it is assumed that men and women are socialized differently, and societies expect prosocial values to be specially adhered to by women (Perry, 2000). This also is the case concerning features of the national culture. When individualism instead of col-

¹ We also run statistical multivariate models with prosocial values operationalized dichotomously for the purpose of showing robustness of our results.

lectivism (I versus We) dominates in a country, one expects prosocial values to become less adhered to in that country (Hofstede, 2001).

Last but not least, one expects the adherence to values to be stable through time. When work motivation is conceived as a psychological trait, it is not expected to be influenced by changes in the context (Bardi et al. 2009; Rokeach 1973). Rokeach and Ball-Rokeach found for the USA impressive stability in American value priorities (Rokeach and Ball-Rokeach 1989, p. 783). They state that this stability in values is “confirming the widely shared view that human values are deep-lying components of collective belief systems and are thus inherently resistant to change” (Rokeach and Rokeach, 1989, p. 777). In public administration, such stability is also assumed by Perry (1997), who argues that prosocial work motivators, in his words ‘Public Service Motivation’, especially correlate with such antecedent factors as parental socialization, religious socialization, professional identification, political ideology and individual demographics (Perry, 1997, p. 183).

In the next sections, these expected, sometimes disputed, associations are tested using the method of rank-based values in work motivation. First, we account for the data used.

3 Data and Methods

3.1 Data sources

We use data from the repeatedly conducted International Social Survey Programme (ISSP) module on work orientations (Rounds I to IV: see www.gesis.org/en/issp/modules/issp-modules-by-topic/work-orientations)². ISSP involves a cross-national collaboration of researchers conducting repeated surveys on diverse topics relevant to social sciences (see more at www.issp.org). All collected data and documentation are publicly available through the GESIS data archive (www.gesis.org/en/issp/home). The archive constitutes a rich data set on different topics such as the role of government, citizenship, social inequality, work orientations, environment, national identity, etc., including a variety of demographic characteristics.

We analysed data from 15 OECD countries: Great Britain, New Zealand, Czech Republic, Hungary, Slovenia, Germany, Spain, France, Norway, Sweden, Denmark, Israel, Japan, Poland, and Switzerland. These countries were selected as only they have been included in the ISSP sample both in 1989 (or 1997)

² This survey does not employ panel design which would allow us to directly measure value change (or stability) and their determinants on the individual level. Only panel survey design could be tailored to investigate the same individuals and their values for a prolonged period of time. Therefore, we test our hypotheses on the aggregate level and are not in a position to postulate claims about the potential causal explanations of value change on the individual level. We only attempt to reveal how levels of support for prosocial values in work motivation change (or remain stable) on country or some other level of aggregation. Still, changes (if any) of the indicators' values on the aggregate level do indicate the extent of changes on the individual level allowing the measurement of the potential occurrence of such changes and what direction they take.

and 2015 and have variables allowing to distinguish employees working in the public and private sectors³.

In the ISSP, the question about work motivation as mentioned in the previous section was asked already in 1989. Since then, the survey included this topic on three further occasions (in 1997, 2005 and 2015). Accordingly, we have data on job motivation for four years covering a 16-year period. The number of countries incorporated in the survey (and producing relevant data for our study) steadily increased from five countries in 1989 (Great Britain, Hungary, Israel, Germany, and Norway) to 14 countries in 2005 and 15 in the 2015 surveys. Within each wave and (relevant four our study) country, the number of respondents varied between 901 and 2518, with a total number of respondents in all the analysed countries and waves of 65,126

3.2 Measuring the dependent variable

As told already in the previous section, the measurement of the dependent variable 'adherence to prosocial values in work motivation' is based on an index of two items included in the ISSP module on work orientation based on the survey question: *"From the following list, please tick one box for each item to show how important you personally think it is in a job"*. This includes two items indicative of a prosocial work motivation:

- How important is a job that allows someone to help other people?
- How important is a job that is useful to society?

The questions are asked using a 5-point Likert scale, ranging from 1 (an item not being important at all) to 5 (an item being very important). The items used to capture prosocial values have often been used in scholarly research. An overview of the numerous studies using this item is given by Wright (2008, p. 82). Importantly, some researchers find the two questions to be adequate indicators of Public Service Motivation. This can be seen, for instance, in the argument given by Kjeldsen and Andersen saying that 'Together, the two questions capture the two aspects mentioned in Hondelghem and Perry's (2009, p. 6) definition.' (Kjeldsen and Andersen, 2013, p. 161).

Using Likert scales, the measurement of the centrality of indicators for work motivation results in ties. There are several ways to deal with such ties. One can award such ties with the maximum score, the average score, or the minimum score. The descriptive statistics for the differently operationalized rankings are given in Table 3, showing how the measurement impacts on the significance of differences between the work motivation of employees working in the private and those working in the public sector.

³ Germany's data for the ISSP wave in 2005 was excluded from the sample since it lacked a variable distinguishing public and non-public sector employees.

Table 3. Descriptive statistics of different operationalisations of prosocial values indexes

A. Prosocial values indexes resulting in continuous variables							
	N	Mean	St. dev.	Min.	Max.	Skewness	Kurtosis
Simple average score of prosocial values items (range of values: 0 – 4)	63496	2.90	0.78	0	4	-0.62	0.54
Average of deviations of prosocial values items from mean of total 7 items (range of values: -3 – 3)	63496	-0.15	0.55	-3.00	2.57	-0.44	1.15
Average position of prosocial values items based on ranking amidst 7 items (ties: minimum rule; range of values: 1 – 7)	62691	2.16	1.18	1	6.5	0.92	0.16
Average position of prosocial values items based on ranking amidst 7 items (ties: average rule; range of values: 1 – 7)	62691	3.58	1.20	1	6.5	0.05	-0.71
Average position of prosocial values items based on ranking amidst 7 items (ties: maximum rule; range of values: 1 – 7)	62691	5.01	1.66	1	7.0	-0.36	-1.02
B. Prosocial values indexes resulting in dichotomous variables							
	N	Yes (% of cases)		No (% of cases)			
Any of the deviations of prosocial values items from mean of total 7 items ≥ 1	64196	5.2		94.8			
Any of the deviations of prosocial values items from mean of total 7 items ≥ 0.5	64196	19.7		80.3			
Any of ranked prosocial values items (ties: average rule) in Top 1 amongst 7 items	64196	1.1		98.9			
Any of ranked prosocial values items (ties: average rule) in Top 2 amongst 7 items	64196	12.0		88.0			
Any of ranked prosocial values items (ties: average rule) in Top 3 amongst 7 items	64196	31.2		68.8			
Any of ranked prosocial values items (ties: average rule) in Top 4 amongst 7 items	64196	59.7		40.3			

Notes:

St. dev. – standard deviation.

Min. – minimum value in the data.

Max. – maximum value in the data.

Ties: minimum rule – method for determining the rank of evaluations of items when they coincide (are 'tied'): minimum rule replaces all the 'tied' values by their minimum rank value.

Ties: average rule – method for determining the rank of evaluations of items when they coincide (are 'tied'): average rule replaces all the 'tied' values by their average rank value.

Ties: maximum rule – method for determining the rank of evaluations of items when they coincide (are 'tied'): maximum rule replaces all the 'tied' values by their maximum rank value.

Data source: ISSP module "Work Orientations", waves I-IV.

Part A of Table 1 shows that the rank-based method with 'ties' getting the average values (ties: average rule) results in a distribution of prosocial value index that most resembles a normally distributed variable. The measurement of the centrality of prosocial values in this way minimizes the skewness (as well as keeps kurtosis negative and at the same time still relatively low) producing a variable with an almost normal distribution. Therefore, in our main analysis of the predictors of prosocial values, we employ this index as our dependent variable.

Another criterion demands a statistically significant positive correlation between indicators of a latent construct. In this case, the inter-item correlations for the two indicators of prosocial values were always between 0.63 and 0.65 in the four waves.⁴ This satisfies the condition of internal consistency for indicators of a latent construct.

Given these findings, we prefer using the dependent variable that is measured by calculating the average position of the two items measuring the adherence to prosocial values based on their ranking amidst the seven available job motivators (with the 'average rule' for resolving tied rankings).

3.3 Measuring the explanatory variables

As to the independent variables, the most important for our analysis is the distinction between working in the public and private sectors. In the surveys the respondents answer the question in which sector they work. People working in the public sector are expected to adhere to prosocial values to a higher degree than people working in the private sector (Perry, 1990; Pederson, 2013). Furthermore, trends over the years in the work motivation of public sector employees can only be properly understood if they are compared to some 'base level', that is, the centrality of prosocial values in the work motivation of people working in the private sector. The derived variable distinguishes not only the sector in which the respondent works (public vs. private), but also his/her occupation. Only those working in professional, specialist technical,

⁴ The respective Cronbach's alphas were 0.775, 0.773, 0.790 and 0.790. Additionally, exploratory factor analysis of all the 7 motivation items (not reported here) showed that the two items that we use as prosocial values indicators loaded highest on the same factor and all the other 5 loaded highest on two other factors.

managerial, administrative, clerical, and/or service professions were considered for inclusion into the group of public sector employees.

As mentioned in the previous section, it is also necessary to include additional explanatory variables at the individual level to account for their possible influence on the distribution of values of the dependent variable:

- **Gender: male vs. female.** This variable controls for possibly higher adherence to prosocial values in work motivation among women. DeHart-Davis, Marlowe, and Pandey (2006), for instance, contend that compassion is a feminine dimension of public service motivation.
- **Age: recoded into four categories: ≤ 25 , 26–45, 46–65, ≥ 66 .** This variable controls for possibly higher adherence to prosocial values in work motivation among older people. In this regard, Parola et al. (2019) found that age and gender are indeed antecedents of PSM (as well as prosocial values), although these effects differ across cultural contexts.
- **Supervisory status (managerial position).** We used the question asking whether the respondent is responsible for the supervision of other employees. This variable controls for a possibly higher adherence to prosocial values in work motivation among the people employed in the public sector and having a managerial position. For example, Karl & Sutton (1998) found significant differences between supervisors and non-supervisors in the public as well as the private sector concerning the values central to their work motivation.
- **Education:** the number of years in education, distinguishing two groups ≤ 12 years vs. ≥ 13 years. This variable controls for possibly higher adherence to prosocial values in work motivation among higher educated people. Wilson & Musick (1998), for instance, argue that adherence to prosocial behaviour depends on the availability of resources, including cultural and educational.

At the macro-level, we include two variables. First, we use one of the cultural dimensions as distinguished by Hofstede (2001). This refers to the degree of individualism versus collectivism in a country. As it is said on the Hofstede's website.

The fundamental issue addressed by this dimension is the degree of interdependence a society maintains among its members. It has to do with whether people's self-image is defined in terms of "I" or "We". In Individualist societies people are supposed to look after themselves and their direct family only. In collectivist societies, people belong to 'in groups' that take care of them in exchange for loyalty.

[A country] with a very high score is an Individualist society. This means there is a high preference for a loosely-knit social framework in which individuals are expected to take care of themselves and their immediate families only (see www.hofstede-insights.com/product/compare-countries).

Second, the indicator for the economic development of a country is measured through the GDP per capita of the countries involved (see <https://stats.oecd.org>).

4 Results

We conducted regression analyses employing different operationalisations of prosocial values in work motivation (and including hierarchically nested elements of year and country (see the formula in *the notes of* Table 4) to control for possible cross-country and cross-year differences of variances) to corroborate our findings with regard to the difference related to the sector of employment. The results presented in table 4 show that regardless of the specific method of operationalizing the measurement of the prosocial values, the distinction between the importance of these value for employees in the public and private sector is significant.

Table 4. Differences of adhering to prosocial values among people working in the public vs. private sector using different operationalization of prosocial values

		Effect of working in public vs. private sector		
Indicators of prosocial values resulting in continuous variables	N	Fixed effect	Standard error	t-value
Simple average score of prosocial values items	52202	0.25***	0.03	30.51
Average of deviations of prosocial values items from mean of total 7 items	52202	0.16***	0.06	27.80
Average position of prosocial values items based on ranking amidst 7 items (ties: minimum rule)	51695	0.26***	0.01	21.39
Average position of prosocial values items based on ranking amidst 7 items (ties: average rule)	51695	0.35***	0.01	28.12
Average position of prosocial values items based on ranking amidst 7 items (ties: maximum rule)	51695	0.44***	0.02	25.65
Indicators of prosocial values resulting in dichotomous variables	N	Fixed effect	Standard error	z-value
Any of the deviations of prosocial values items from mean of total 7 items ≥ 1	52672	0.25***	0.04	5.50
Any of the deviations of prosocial values items from mean of total 7 items ≥ 0.5	52675	0.38***	0.03	14.78
Any of ranked prosocial values items (ties: average rule) in Top 1 amongst 7 items	52672	0.30**	0.09	3.21
Any of ranked prosocial values items (ties: average rule) in Top 2 amongst 7 items	52672	0.38***	0.03	12.44
Any of ranked prosocial values items (ties: average rule) in Top 3 amongst 7 items	52675	0.44***	0.02	19.78
Any of ranked prosocial values items (ties: average rule) in Top 4 amongst 7 items	52675	0.38***	0.02	17.50

Notes:

Ties: minimum rule – method for determining the rank of evaluations of items when they coincide (are 'tied'): minimum rule replaces all the 'tied' values by their minimum rank value.

Ties: average rule – method for determining the rank of evaluations of items when they coincide (are 'tied'): average rule replaces all the 'tied' values by their average rank value.

Ties: maximum rule – method for determining the rank of evaluations of items when they coincide (are 'tied'): maximum rule replaces all the 'tied' values by their maximum rank value.

Data source: ISSP module "Work Orientations", waves I-IV.

Formula of the generalized linear mixed models:

Importance of prosocial values ~ Sector + (1 | Year) + (1 | Year: Country)

*** The effect of working in the public sector versus working in the private sector on the importance of prosocial values is statistically significant at 0.01.*

**** The effect of working in the public sector versus working in the private sector on the importance of prosocial values is statistically significant at 0.001.*

Effects of survey year and countries nested within years are insignificant regardless of indicator of prosocial values importance.

Two results seen in table 4 are noteworthy. The first one is that taking the rank-based method makes the difference between employees working in the public and private sector much more prominent. Whereas the mean-based indicator shows an effect of 0.25 on the sector one works in, this increases to 0.35 using the rank-based method. Hence, our indicator does a better job in distinguishing the values central in the work motivation of employees in the two sectors.

Second, table 4 shows that there does not appear any signs of a decline in the centrality of prosocial values amidst all job motivators of the years. Their centrality within the whole system of job motivators is stable if not slightly improving (especially, in the public sector).

The preliminary conclusion cannot but be that claims about the prominence of adherence to prosocial values among public sector employees strongly depend on the operationalization of the indicators. Whether adherence to prosocial values is measured as a simple importance of separate job motivators or measured as their relative importance amidst all available job motivators, makes all the difference in one's claims about the prominence of prosocial values in work motivation for employees in the public and private sector and the trends therein.

4.1 The analysis explaining the varying adherence to prosocial values

The correlation between the centrality of prosocial work motivation in the value system and the sector one is employed in, might be an illusory relation that disappears when controlled for other explaining factors. This section investigates whether that is the case. In order to look for possible explanations for varying adherence to prosocial values, we conducted nested three-level hierarchical linear regression analyses with individuals nested in countries and

countries nested in years of the survey. Such hierarchical regression is necessary to reveal not only possible cross-country differences but also to determine if any trends of the centrality of prosocial values in work motivation exist, and whether individual characteristics (age, gender, having a supervisory position) and contextual features (the GDP per capita in the country, and the extent to which individualism or collectivism dominates in the country). To avoid bias, the estimation of the relation between the adherence to prosocial values and the sector employed in is controlled for factors (both on the individual and country/year level) deemed important for explaining the adherence of prosocial values in work motivation as discussed in the relevant literature.

We ran four increasingly complex hierarchical linear regression models wherein the dependent variable was the index of the centrality of prosocial values in the work motivation of respondents⁵:

- The first model (the “null model”) does not contain any explanatory variables, only the hierarchical nested structure, which is important for revealing existing (if any) country and year differences related to adherence to prosocial values in work motivation.
- The second model, in addition to the hierarchical nested structure, includes two explanatory individual-level variables: sector of employment and managerial position of respondents.
- The third model adds sociodemographic control variables on the individual level, in addition to variables in the second model, gender, age, and education.
- The fourth model adds the two macro-level variables: GDP per capita in a country and a country’s score on the cultural dimension of individualism versus collectivism.

All the models were run employing function *lmer()* available in R package *lme4* ver. 1.1-20 (Bates et al., 2015). The outcomes of the analysis are presented in Table 5.

⁵ Let us remind here that we employed the index that is based on averages of rank-ordered items measuring adherence to prosocial values (“How important is: ... a job that allows someone to help other people? ... a job that is useful to society?”) among all seven job motivators (and using average rule for resolving ‘ties’ of ranking, see Tables 4 and 5 for more detailed information).

Table 5. Results of linear multilevel models for rank-based dependent variable measuring prosocial values in work motivation with countries nested within years

	M1: Only countries and years	M2: M1 + Sector * Supervisory status	M3: M2 + Socio-demographic variables	M4: M3+ macro-level variables
Fixed effects				
(Intercept)	3.60***	3.55***	3.38***	3.82***
Sector (reference: Non-public sector)				
Public sector	--	0.37***	0.31***	0.31***
Supervisory status (reference: Does not supervise)				
Supervises	--	-0.13***	-0.09***	-0.09***
Public sector and supervises	--	0.03 (n.s.)	0.03 (n.s.)	0.03 (n.s.)
Gender (reference: Male)				
Female	--	--	0.24***	0.24***
Age (reference: ≤ 25)				
26–45	--	--	-0.02 (n.s.)	-0.03 (n.s.)
46–65	--	--	0.12***	0.12***
≥ 66	--	--	0.20***	0.20***
Education (reference: ≤ 12 years)				
≥ 13 years	--	--	0.005 (n.s.)	-0.005 (n.s.)
Macro-level variables.				
GDP per capita (centred and scaled)				0.01 (n.s.)
Individualism				-0.007**
Random effects	Variance (%)	Variance (%)	Variance (%)	Variance (%)
Year	0.002 (0.15)	0.000 (0.00)	0.000 (0.00)	0.000 (0.00)
Year * Country	0.066 (4.51)	0.069 (4.86)	0.069 (4.90)	0.060 (4.32)

	M1: Only countries and years	M2: M1 + Sector * Supervisory status	M3: M2 + Socio-demographic variables	M4: M3+ macro-level variables
Residual	1.384 (95.34)	1.354 (95.14)	1.333 (95.10)	1.333 (95.68)
Model characteristics				
AIC	198481.8	134139.2	127183.5	127195.1
BIC	198518.0	134199.9	127286.9	127315.7
Log-likelihood	-99236.9 (df=4)	-67062.6 (df=7)	-63579.76 (df=12)	-63583.55 (df=14)
REML criterion	158207.2	134125.2	127159.5	127167.1
N	49772	42640	40617	40617

Notes:

Dependent variable - average position of prosocial values items based on ranking amidst 7 work motivation items. Average rule was used as the method for determining the rank of evaluations of items when they coincided (were 'tied'). In these cases, all the 'tied' values were replaced by their average rank value.

AIC – Akaike information criterion.

BIC – Bayesian or Schwarz information criterion.

n.s. – not significant statistically.

*** – statistically significant at 0.05 level.*

**** – statistically significant at 0.01 level.*

Data source: ISSP module “Work Orientations”, waves I-IV.

The strongest explaining factor is as expected the sector someone works in— i.e. public or private. For respondents working in the public sector the adherence to prosocial values within their value system takes a more central position than for respondents working in the private sector. The next important explanatory factor is gender. Women attach significantly more importance to prosocial values in job motivation. The same goes for the age of respondents. In the ranking amongst all job motivators, prosocial values are more central among older employees. Having a supervisory position slightly diminishes the relative importance of such values among the other job motivators. Adding all these variables does not diminish the direct relation between sector employed in and the centrality of prosocial work motivators. This is in conformity to the theory on prosocial values.

Adding macro-level explanatory variables does make a difference with regard to the cultural dimension of individualism versus collectivism. In countries where individualism dominates the prosocial values of work motivation are more peripheral in the value-systems of individuals and in countries where collectivism dominates prosocial values are more central in the value-systems of individuals.

In none of the models, a cross-year variance of the dependent variable is significant. Moreover, it is very close to zero and statistically insignificant. This implies that the centrality of prosocial values on the aggregate level in the public sector is rather stable over the years. This is in conformity with psychological theories on the stability of values.

5 Discussion

This article asked if there are merits in measuring the importance of prosocial values in work motivation in terms of their position in the value system as a whole, compared to current measures of work motivation, and what does this kind of measurement imply for the role of such values in causal analyses.

Psychological research on values and motivation points out that the way one measures the values individuals endorse, makes all the difference. One can ask whether or not somebody thinks it is important that a job allows someone to help other people or that the job is useful to society. Many people will say 'Sure, that is important ... Hurray'. That was also found in this study. More than half of all respondents in all years of study in all countries involved, irrespective of where they work, said so. Moreover, in some countries at specific periods of time even more than 90 % of people declared adherence to prosocial values. However, psychological theory (Bardi et al., 2009; Rokeach, 1973), also suggests, that this may not be the best way to measure the adherence to specific values. Instead, one needs to measure the centrality of values amidst other values (relative importance). In this case, one needs to assess how important the job motivators indicative of the adherence to prosocial values are compared with other job motivators such as having job security, a high income, opportunities for advancement, an interesting job, and a job that allows someone to work independently.

One of the implications is that measuring the adherence to prosocial values in this way, makes one become more sceptical about the prominence thereof. Job security and an interesting job are by far the most important job motivators in all countries and in both the public and private sector. Ranking of these two prosocial job motivators is time and country invariant. However, the rank of the two prosocial job motivators amidst all job motivators is consistently higher in the public sector than in the private sector. For private-sector employees the two indicators end up almost last in the ranking of job motivators. The difference between employees in the public and private sector is much more pronounced when using the rank-based measure than using the mean-based measure. Hence, the way one measures the centrality of prosocial work motivators determines how they understand the spread thereof, especially among public officials.

Starting with Perry and Wise (1990), the public administration literature has long emphasized the distinctive character of motives related to working in the public sector, emphasizing a general altruistic motivation among public sector employees to serve to the interests of the community, showing proso-

cial behaviour and declaring that public sector employees exhibit stronger inclinations than private sector employees towards altruistic behaviour. The empirical results presented in this study suggest that prosocial values are indeed more adhered to among public servants than among non-public sector employees, higher among women than among men, higher among older than among younger employees, and higher in countries where collectivism instead of individualism dominates.

This does imply that prosocial values are not the dominant work motivators in the public sector. Among the public sector employees as among private sector employees, job security and having an interesting job are judged to be the most important job motivators. And they remain to be central among our studied job motivators during the last couple of decades.

The theoretical implication of this research is that it does not seem to make much sense to see human beings as either prosocial or not. They are mostly social beings, adhering to prosocial values but simultaneously attach value to more selfish motivators. The important question is which of these values is central in the total value system of individuals, how to explain the relative importance of certain values for certain individuals living in specific countries and at specific periods of time. Psychological research suggests that the composition of value systems is stable and this research corroborates this assumption.

The last implication is that this research goes contrary to research suggesting that the public sector has a kind of monopoly over prosocial values. Adherence to prosocial values in work motivation is more prominent among employees in the public sector than among employees in the private sector, but there are also similarities as the most central values among employees in both sectors are job security and interesting work.

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A Literature Review of the Factors Affecting the Compliance Costs of Environmental Regulation and Companies' Productivity

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ABSTRACT

Purpose: The aim of the paper is to identify potential factors that influence the relative size of environmental compliance costs through a literature review and propose a conceptual holistic model of the indirect impact of these factors on companies' productivity levels. In the literature, the connection between costs associated with environmental regulation and companies' productivity has been thoroughly tested within what is known as the Porter hypothesis, or simply PH.

Design/methodology/approach: The paper applies the methods of integrative review of scientific literature and qualitative research with a document study.

Findings: The results point to several key findings. First, the identified potential factors can be divided into two main categories, namely internal factors (size, sector, age, environmental awareness, etc.) and external factors (relevance of environmental regulation for businesses, environmental stimulus measures, quality of institutions, etc.). Second, the wide use of compliance costs within the indicators of stringency of environmental regulation suggests that the relative size of environmental compliance costs is likely to affect companies' productivity.

Practical Implications: The identification of factors affecting the size of compliance costs provides valuable insights to policy makers for the implementation of environmental regulation and making it more effective.

tive while not being discriminatory in terms of presenting an excessive burden to certain types of companies.

Originality/significance: There has been a gap in the literature on environmental regulation compliance costs, as so far no study has comprehensively addressed all the potential factors influencing the relative size of environmental compliance costs for companies.

Keywords: compliance costs, environmental regulation, productivity, Porter hypothesis, digital maturity

JEL: H23, O13, O44

1 Introduction

Public administration reforms in Central and Eastern Europe brought several policy initiatives like e-government, civil service reform and red tape reduction, among others (Dečman, 2018; Hodžić et al., 2021; Zankina, 2020). In connection with the later, there are numerous studies that examine the costs of complying with regulations alone (Do Céu Colaço Santos and Bilhim, 2018; Nemec et al., 2017; OECD, 2001; Priyadarshini and Gupta, 2003; Solilova et al., 2019). Costs incurred by the state include not only taxes, fees or penalties paid by companies and individuals, but also indirect administrative costs (Joshi et al., 2001; Nemec et al., 2017; Slabe-Erker and Klun, 2012). Tran-Nam et al. (2000) argue that each regulation incurs three types of costs: efficiency costs, administrative costs, and compliance costs. Efficiency costs are the costs from tax-induced changes in relative prices, distort producer and consumer choices, which affect the overall output, while administrative costs comprise of the costs to the government of collecting taxes. Compliance costs are related to the companies' compliance with regulatory obligations which include reporting time, consultancy costs, planning and impact assessments, and cognitive costs related to studying and understanding of regulation, among others (Harju et al., 2019), as well as costs that businesses make to comply with the content obligations, that legislation and regulations require of a production process or a product (SCM Network, 2006). The former costs are significant and many times suboptimal as they represent unnecessary, excess costs while at the same time they are generally inevitable and irreducible (Tran-Nam et al., 2000). When focusing on environmental regulation specifically, some authors (e.g., Joshi et al., 2001; Schaltegger and Müller, 1998) even call them hidden costs, as companies are often not fully aware of all the costs associated with meeting environmental regulations as accounting systems do not perceive them as environmental administrative costs. Therefore, optimization of these costs can spur positive effects if savings in compliance costs are further invested, leading to higher productivity of companies, while not affecting the positive effects these regulations have on environment. Still, to make a systematic effort to reduce the administrative burdens you need to know where the burdens come from and how you can reduce them (SCM Network, 2006). More specifically, for optimization of costs, one needs to know which

are the factors that influence their relative size for the companies. Thus far, literature has addressed the issue by focusing on one particular or a smaller set of factors (Eichfelder and Schorn, 2012; Fauziati and Kassim, 2018; Kotnik et al., 2020; Schoonjans et al., 2011; Slabe-Erker and Klun, 2012) while by our knowledge no holistic methodology has been developed in administrative, public or economic policy or other related fields that could fully encompass the issues outlined above. Therefore, the aim of this article is to address the gap and demonstrate the need for a comprehensive analysis concerning the factors of compliance costs. Furthermore, as the literature often uses the size of compliance costs as a proxy of environmental regulation stringency (Ambec, et al., 2013) when analysing interlinkage with companies' productivity, the later was added to a model as well. There have been two opposing sides in the economic literature regarding the effect of environmental regulations on productivity. According to neoclassical economic theory, strict environmental regulation impairs competitiveness and productivity due to the constraints imposed by regulation (e.g., Gollop and Roberts, 1983). Elaborating on this view, the pollution haven hypothesis was formed, which claims that companies, as rational economic agents, will shift their production to countries with less stringent environmental regulation to lower their compliance costs and consequently reduce potential negative impact of environmental regulation on their productivity (Cole and Fredriksson, 2009; Dechezleprêtre and Sato, 2017; Iraldo et al., 2011). However, on the contrary, Porter (1991) hypothesized that tighter environmental regulation, if properly designed, could trigger innovations whose effect would cover the compliance cost through increased productivity. Later, Porter hypothesis was further developed and tested by various researchers, different versions of the hypothesis were formed, and consequently different combinations of the effects of innovation and forms of environmental regulation emerged. Several recent studies of Porter's hypothesis yield mixed results (e.g. Ambec et al., 2013; De Santis et al., 2021; Dechezleprêtre and Sato, 2017; Hojnik et al., 2021; Huiban et al., 2018; Iraldo et al., 2011; Lanoie et al., 2011; Peng, 2020; Ramanathan et al., 2017; Rubashkina et al., 2015), while effects mainly depend on industry of inquiry and production method (Zhao et al., 2018).

The aim of the paper is twofold, namely: (i) based on a literature review to identify potential factors of environmental compliance costs; and further on (ii) to propose a conceptual holistic of the indirect impact these factors have, through the relative size of environmental compliance costs, on companies' productivity levels. The list of potential factors made in this article can already provide insights to policy makers when implementing changes of environmental regulations, while the proposed model can serve as a basis for future empirical research. The paper is structured as follows: after the introduction, the methodology and research questions are briefly presented. Then, the main part consists of literature review and description of all potential factors of compliance costs as well as the importance of holistic measurement of compliance costs and their impact on productivity. Deriving from the findings, we propose a conceptual holistic model for estimating factors of environmental compliance costs, and theoretically predict the impact of environmental com-

pliance costs on companies' productivity levels. In the discussion, we present general finding and potential for future research.

2 Methodological approach and research questions

this paper applies the method of integrative review of scientific research literature and sources. According to Snyder (2019) this method aims to assess, critique, and synthesize the literature on a research topic in a way that enables new theoretical frameworks and perspectives to emerge, rather than simply making an overview or description of a research area. It follows a four-phase approach: (i) designing the review, (ii) conducting the review, (iii), analysis, and (iv) writing the review.

The first phase, designing the review, includes explaining the aims of this paper, which has been described in the introduction. Furthermore, three research questions have been formed, namely:

(RQ 1) Which company's characteristics (internal factors) potentially impact the level of compliance costs of environmental regulations?

(RQ 2) Which other factors (external factors) potentially impact the level of compliance costs of environmental regulations?

(RQ 3) Does the level of compliance costs of environmental regulations impact the productivity of the company?

In the second phase, conducting a review in order to find relevant compliance (administrative) costs factors, we used the Scopus database, in which we applied various search query including titles, abstract and keywords "compliance cost", "administrative cost", "compliance burden", "administrative burden", and "factor" limited to subject area "social sciences", "business, management and accounting", "economics, econometrics and finance". This literature review yields limited results, since only a limited number of studies focused specifically on measuring impact significance of potential factors of companies' compliance costs (Eichfelder and Schorn, 2012; Fauziati and Kasim, 2018; Klun and Blazic, 2005; Kotnik et al., 2020; Schoonjans et al., 2011; Tran-Nam et al., 2000). To broaden that list of potential factors, we expanded our literature review to other related fields as well. For example, environmental awareness of companies has not been mentioned as a factor in compliance costs studies so far, while related literature finds companies with higher environmental awareness less pressed by environmental regulation (Díaz et al., 2013). In the second part of conducting a review, the focus was on factors used as proxies of environmental stringency to find out, whether they are directly or indirectly related to the compliance costs of environmental regulation. For this reason, we used the Scopus database, in which we applied a search query including titles, abstract and keywords "porter hypothesis". We analysed the prevailing factors used to measure stringency of environmental regulation in the most cited articles.

In the third phase, analysis, we identified a total of eight potential internal factors and five potential external factors that impact the relative size of company's compliance costs of environmental regulation. Further, the theoretical background that links the costs of environmental regulation and the productivity of companies was analysed. We have combined factors of compliance costs with the interlinkage between compliance costs and productivity and formed a holistic model, which represents a basis for future empirical research.

In the fourth phase, writing the final review, we have followed the IMRAD methodology, focusing on clear communication of aims, methods, results, and discussion of the paper. The following section addresses identified factors and their anticipated impacts on compliance costs and productivity.

3 Results

A preliminary review of the literature highlights various types of factors, namely: normative, institutional, economic-financial, strategic, organizational, and procedural aspects related to costs of complying with environmental regulations and thus the overall burden on companies. In general, these factors could be divided into a group of internal factors, that are related to characteristics of each specific company, and a group of external factors, which are related to characteristics of business environment in which companies operate (RQ 1 and RQ 2). Based on these defined factors, which present independent variables, the conceptual holistic model of factors affecting environmental compliance costs (dependent variable) and further its indirect effect on productivity has been formed (RQ 3).

3.1 Internal factors

The most exposed factor affecting the relative size of compliance costs is the company's size, due to its most obvious impact through economies of scale. OECD distinguishes between four different sizes of companies¹ that are most used in research. Studies mainly confirmed that relative compliance costs are much smaller for large companies compared to small ones (Crain and Crain, 2010; Fauziati and Kassim, 2018; Klun and Blazic, 2005; Kotnik et al., 2020; Lama and Anderson, 2015; Lewis et al., 2014; Nemec et al., 2017; OECD, 2001; Ropret et al., 2018; Sandford et al., 1989; Schoonjans et al., 2011; Solilova et al., 2019; Tran-Nam et al., 2000). The European Commission's survey results (European Commission, 2004) demonstrated a clear inverse connection between company size and their compliance costs. In the case of small companies, compliance costs can make up a considerable part of turnover (in several studies more than 10%) implying a significant reduction of profitability (Eichfelder and Vaillancourt, 2014). On the contrary, Ropret et al. (2018) found in their study of companies' perception of administrative burden that larger enterprises are exposed to sectoral regulation, financial and accounting reports, inspections and building permits to a greater degree than other

¹ Micro enterprises (fewer than 10 employees), small enterprises (10 to 49 employees), medium-sized enterprises (50 to 249 employees). Large enterprises employ 250 or more people.

enterprise groups. Still, they argue that this is probably because enterprises with higher turnover have more financial resources available and therefore, they can afford to perform financial, accounting, and other reporting functions internally, while smaller companies often outsource particular activities. These arguments suggest smaller companies are more likely to experience relatively higher compliance costs than large ones. The size factor can be measured by the company's turnover or the number of employees. In general, it is expected that an increase in firm size, initially, has a positive effect on productivity levels, due to economies of scale and scope. However, when a firm grows beyond a certain size, diseconomies of scale may have a dominating effect, thereby negatively influencing productivity levels (Halkos and Tzeremes, 2007), which is why lower productivity can be predicted at least for micro and small companies versus larger ones.

Second most common factor of the environmental regulation compliance costs is the sector of economic activity. Literature suggests that the size of environmental compliance costs differs among economic sectors in which companies operate (J. N. Baldwin, 1990, 1990; Eichfelder and Schorn, 2012; Fauziati and Kassim, 2018; Kotnik et al., 2020a; Le Roux et al., 2008; Ropret et al., 2018; Schoonjans et al., 2011; J. Wu, 2009), while there are substantial differences in sectors that are a subject of comparison. Some authors compare private vs. public sectors (Bozeman, 1993; Kotnik et al., 2020; Lan and Rainey, 1992), others (Schoonjans et al., 2011; J. Wu, 2009) focus on sectors derived from different classifications of activities (for example NAICS² or ISIC³), while Ropret et al. (2018) compared sectors by primary, secondary, tertiary, and quaternary⁴. Higher compliance costs were estimated in public sector compared to private sector (Bozeman, 1993; Lan and Rainey, 1992). On the contrary, a recent study (Kotnik et al., 2020) found no differences in environmental compliance costs between economic sectors. Schoonjans et al. (2011) estimated total compliance costs to 3.5% relative to assets in services industry compared to only 1.5% in the manufacturing industry. Eichfelder and Schorn, (2012) also found that the service sectors maintained higher tax compliance costs (including the time burden) than the building sector. As these findings yield mixed results, we conclude that sector of activity may be a significant factor of environmental compliance costs, but the direction of impact is difficult to predict. Similarly, as productivity varies substantially across sectors, there is a need to consider both technological and economic factors in the explanation of productivity differences (Castellacci, 2007), which makes anticipations of relation between sectors of economic activity and productivity very unfavourable.

The size of compliance costs may also depend on the company's age (Fauziati and Kassim, 2018). Younger companies or existing older companies that have expanded their business into new activities that require more environmental-related administration are found to experience higher compliance costs in comparison with companies that have a longer tradition of environmental business,

2 The North American Industry Classification System

3 International Standard Industrial Classification of All Economic Activities

4 This classification was also derived from NACE classification which is commonly used in EU.

e.g. have improved financial reporting practices over time (Al Mutawaa and Hewaidy, 2010; Loosemore and Andonakis, 2007). Similarly, decreasing effect on compliance costs with company's age was found in the studies, for example of Slovenia (Ropret et al., 2018), New Zealand (Owusu-Ansah and Yeoh, 2005) and for Gulf Cooperation Council countries (Al-Shammari et al., 2008). Therefore, we may anticipate a decreasing effect of company's age on environmental compliance cost. There is no unilateral relationship between firm age and total factor productivity but rather a positive relationship due to the "survival effect"⁵ or a negative relationship due to the "vintage"⁶ or "inertia"⁷ effect (Dong, 2021).

With an increasing use of information systems and information communication technology (IS/ICT) as one of the dimensions of digital maturity of the company (Teichert, 2019), literature demonstrates that IS/ICT may have a stimulating effect on the reduction of environmental compliance costs. Studies (Klun, 2011; Kochanova et al., 2020; Zuurmond and Robben, 2009) demonstrated that increasing use of IS/ICT and more advanced support system companies have, higher the probability of lower compliance costs. Thus, the use of IS/ICT is another potential factor, as arguments from the literature suggest that more advanced and frequent use of IS/ICT diminishes environmental compliance costs of companies. Accordingly, it is also to expect a positive effect of the use of IS/ICT on productivity, as the use of ICT is among the most common factors that explain improvements in productivity levels (Dong, 2021).

Companies also differ whether they have in-house resources to ensure regulation requirements or outsource the obligations. As outsourcing is promoted as one of the most powerful trends in human resources management (Belcourt, 2006), it includes financial savings, an increased ability to focus on strategic issues and access to technology, among others. Researchers (Eichfelder and Schorn, 2012; Schoonjans et al., 2011) found out that outsourcing services related to compliance costs leads to the reduction of the latter and at the same time gives the company a chance to focus more on the core business. On the contrary, Ropret et al. (2018) argue that mostly younger companies and companies with lower turnover use outsourcing more often as they lack knowledge and resources in house to deal with regulatory requirements. Based on this fact, we assume that more outsourcing may lead to lower regulatory costs, including environmental compliance costs. As Abraham and Taylor (1996) argue that firms contract out business services to smooth production cycles, to benefit from availability of specialized skills possessed by the outside contractor, and realize labour cost savings, therefore, outsourcing is expected to positively affect productivity.

The relative size of environmental compliance costs may also depend on company's international activity. Strong international collaboration and internationalisation of the company are typically reflected through higher number of branches offices abroad, share of profit from sales abroad, franchising and acquisition (Ariff, 2001; Crain and Crain, 2010; European Commission, 2004;

⁵ As firm becomes more mature, it accumulates knowledge and experiences.

⁶ New firms can use more recent and innovative methods or technologies than old ones.

⁷ Old firms are unable to adjust their structure and strategies in a dynamic environment.

Klun and Blazic, 2005; Ropret et al., 2018; Tran-Nam et al., 2000). Doing business abroad also means more formalities for company, which leads to higher compliance costs. Based on the findings of previous research, we anticipate higher environmental compliance costs due to the existence of international activity of the company. Further, there are two explanations in favour of a positive relationship between productivity and participation of a firm in exporting activities; (i) higher productivity and higher efficiency may be required if plants are to enter export markets, and (ii) by exporting, plants may learn of superior technologies and management techniques and increase their productivity (J. R. Baldwin and Gu, 2003; Halkos and Tzeremes, 2007).

Environmental awareness indicates the company's responsible behaviour towards the environment. It encompasses the number of eco-licenses granted, company's inclusion in the EMAS scheme, recycling rate of registration packaging waste, etc. Literature (Díaz et al., 2013; European Commission, 2011; Sankar, 2006; Steger et al., 2002) suggests that companies with higher environmental awareness, also feel less pressed by changes of environmental regulation. Therefore, we anticipate that companies with more responsible environmental behaviour will record lower levels of environmental regulation costs. The effect of environmental awareness on productivity is less straightforward. According to neoclassical theory corporate environmental responsibility increases costs of the firms, through which it negatively affects profits. On the contrary, there are mechanisms related to positive effects of environmental awareness: customers are more willing to buy the firm's product if the firm is known to have a good environmental profile; environmentally responsible firms save labor cost as they (a) can hire at lower wages and (b) get more productive employees; and firms choose responsible behavior independent of the concern for customers or employees in order to gain investor trust (Brekke and Pekovic, 2018).

Study of Fauziati and Kassim (2018) found that risk management is one of important factors influencing the relative size of compliance costs. They determine risk as the possibility of deviation from a planned outcome or goal, while risk management is defined as an ability of companies to deal with different type of risks. Capability of companies to plan and assess costs to fulfil its tax obligations thus influence the total size of compliance cost. Still, the effect of risk management on productivity seems to be less straightforward. According to the research of Vigani and Kathage (2019) effects can be positive or negative depending on different risk management strategies and between different levels of risks.

Table 1 demonstrates information on theory-based internal factors and their estimated impact on environmental compliance costs and productivity, which also present answers to RQ 1. To obtain empirical data on internal factors (use of ICT, international business operations, environmental awareness, outsourcing of services, and risk management) we propose to perform a specially tailored survey questionnaire across companies affected by environmental regulation. Financial and general data on the analysed business entities (revenues, expenses, net profit, company's age (date of registration), size of the company, economic sector, number of employees) can be obtained through various national registers, e.g., Business Register of Slovenia – AJPES.

Table 1. List of internal factors and anticipated influence on the relative size of environmental compliance costs.

Factor	Author(s)	Predicted impact of factor on the size of compliance costs	Predicted impact of factor on company's productivity
Size of the company.	Crain and Crain, 2010; Fauziati and Kassim, 2018; Kotnik et al., 2020; Lewis et al., 2014; Sandford et al., 1989; Schoonjans et al., 2011; Tran-Nam et al., 2000.	Micro and small companies are more likely to experience higher relative compliance costs than larger companies.	Micro and small companies are predicted to have relatively lower productivity than larger companies.
Economic sector.	Baldwin, 1990, 1990; Fauziati and Kassim, 2018; Le Roux et al., 2008; Schoonjans et al., 2011; Wu, 2009.	Mixed results, sectors of activity may conditionally play an important role in estimating environmental compliance costs.	Productivity varies substantially across sectors, thus prediction about the influence of sector on productivity is not possible.
Company's age.	Al Mutawaa and Hewaidy, 2010; Fauziati and Kassim, 2018; Loosemore and Andonakis, 2007; Schoonjans et al., 2011.	Younger companies or existing older companies that have expanded their business into new activities that require more environmental-related administration are more likely to experience higher relative compliance costs than older companies or companies with more experience with regulation.	Mixed results, prediction about the influence of age on productivity is not possible.
Use of IS/ICT (part of digital maturity of company).	Klun, 2011; Kochanova et al., 2020; Zuurmond and Robben, 2009.	Less digitally mature companies are more likely to experience higher relative compliance costs than the more digitally mature.	Companies that use more advanced and more frequently IS/ICT are expected to have higher productivity.
In-house resources vs outsourcing.	Slemrod and Blumenthal, 1996; Schoonjans et al., 2011.	Companies that use outsourcing more commonly, are less likely to experience higher relative compliance costs than companies that deal with regulation in-house.	Outsourcing is expected to positively affect productivity.

Factor	Author(s)	Predicted impact of factor on the size of compliance costs	Predicted impact of factor on company's productivity
International business operations (number of branches, level of internationalization, share of revenue from sales abroad)	Ariff, 2001; Crain and Crain, 2010; European Commission, 2004; Klun and Blazic, 2005; Ropret et al., 2018; Tran-Nam et al., 2000.	Companies that do business abroad are more likely to experience higher relative compliance costs than companies that operate only in one country.	Positive relationship between productivity and participation of a firm in exporting activities is expected.
Environmental awareness	Díaz et al., 2013; European Commission, 2011; Sankar, 2006; Steger et al., 2002.	Companies with more responsible environmental behaviour are more likely to experience lower relative compliance costs than companies with less environmentally engaged behaviour.	Mixed results, prediction about the influence of environmental awareness of the company on productivity is not possible.
Risk management (infrastructure, employees, internal processes, etc.).	Fauziati and Kassim 2018.	Companies, more capable to plan and assess costs to fulfill its regulation obligations are more likely to experience lower relative compliance costs than companies with smaller capacity to assess its regulation requirements.	Mixed results, prediction about the influence of risk management on company's productivity is not possible.

Source: own

3.2 External factors

The costs of environmental regulation are influenced by several external factors. Literature suggests environmental compliance costs depend on financial and non-financial measures (Blumenthal and Slemrod, 1992; Department of Finance, Services and Innovation, 2016; Hoque, 2003; Ittner and Larcker, 1998; Kotnik et al., 2020; Prause and Olaniyi, 2019; Sandford et al., 1989; Tran-Nam et al., 2000; Vaillancourt, 1986; J. Wang et al., 2012). Financial measures incorporate refund of environmental payments, exemption from environmental tax for energy efficiency and excise duty for biofuels, and grants for implementation of environmental legislation. Whereby non-financial measures include enhancements for voluntary systems (e.g., adoption of EMAS scheme or ISO14001 standard), the energy performance certificates, environmental labelling of technologies and products, information, and awareness-raising programmes, etc. For the company to gain a competitive advantage, it must resort to various financial (Ittner and Larcker, 1998) measures, while non-financial instruments usually serve as a complement to selected financial instruments (Hoque, 2003). Many literature sources (Blumenthal and Slemrod, 1992; Hoque, 2003; Prause and Olaniyi, 2019) indicate that both financial and non-financial measures have the effect on increasing the costs of environmental regulations. A more recent study (Kotnik et al., 2020) found that financial measures increase total compliance cost, while they found the effect of non-financial measures to be insignificant.

The next external factor influencing the occurrence of environmental compliance costs are environmental consents. Companies that cause environmental damage need to obtain environmental consents. Despite the adoption of various cost-cutting measures (European Commission, 2012; OECD, 2003), e.g., the new Industrial Emissions Directive (Le Roux et al., 2008) obtaining multiple environmental consents and reporting is still expensive and time consuming for companies. Whereby the additional requirements of individual countries in obtaining these consents lead to additional costs. These arguments would suggest that more environmental consents result in higher environmental compliance costs. Furthermore, as more obligations represent additional costs to companies it is to expect a negative relationship between this variable and productivity.

Quality of institutions is an important cost driver (Chittenden et al., 2003; Deitz et al., 2009; Eichfelder and Vaillancourt, 2014; Garneau and Shahid, 2009; OECD, 2001; Slabe-Erker and Klun, 2012). It includes the customer-orientation of tax authorities encompassing the understandability of tax forms, the availability of official staff members, the reliability of administrative statements and suggestions, the appropriateness of compliance obligations, and the proportionality of audit processes. Researchers (Eichfelder and Vaillancourt, 2014; Slabe-Erker and Klun, 2012) found out that low institutional quality is a major obstacle to business development which can be reflected in higher total compliance costs. These arguments suggest that higher institutional quality leads to lowering environmental compliance costs. Agostino et al. (2020)

found strong evidence that better local institutions help especially small and medium-sized enterprises to become more productive. They mention channels through which productivity could be increased: stimulating companies to innovate and adopt new technologies and to invest more in research and development; shorten the technology distance and accelerate the process of convergence to the productivity levels of the leader in the domestic market.

Compliance costs also depends on interventional measures. Literature proposes that interventional measures such as extended deadlines for reporting obligations (Prause and Olaniyi, 2019; Sandford et al., 1989; Tran-Nam et al., 2000; J. Wang et al., 2012) lead to less pressure on the company. Therefore, it can be anticipated that interventional measures mitigate the total environmental compliance cost for companies. In general, it is to expect positive effect of interventional measures on productivity, while Seidu et al. (2022) warn that interventional measures vary across sectors, while the measures can be deemed inadequate in many cases, so there is a risk of late implementation, which is why the effect on productivity can also be insignificant.

Based on economic geography, the region of companies' activity can be another important external factor of environmental compliance costs. Regions may differ in terms of economic development (e.g., more developed vs. less developed regions) as well as in environmental cost standards (Liu et al., 2021). Literature suggests that geographical clustering of industries generates collective efficiency through knowledge and experience spillovers (Zhu et al., 2014). Thus, it is assumed that companies from more economically developed regions, where clustering is more present, have lower relative compliance costs due to more interactions between companies. The similar argument can be proposed in terms of productivity, which is expected to be higher in more developed regions compared to less developed ones.

The information on external factors and their estimated impacts on environmental compliance costs and productivity is presented in Table 2, which also present answers to RQ 2. As data on internal factor, most of the data on external factors can be obtained through a survey questionnaire for companies, except of data regarding economic development of regions which can be obtained from the publicly available data on NUTS-3 regions in Eurostat database (Eurostat, 2022).

Table 2. List of external factors and anticipated influence on the relative size of environmental compliance costs.

Factor	Author (s)	Predicted impact of factor on the size of compliance costs	Predicted impact of factor on company's productivity
Financial measures and non-financial measures	Blumenthal and Slemrod, 1992; Department of Finance, Services and Innovation, 2016; Ittner and Larcker, 1998; Prause and Olaniyi, 2019; Tran-Nam et al., 2000; Wang et al., 2012.	Financial measures and non-financial measures increase environmental compliance costs for companies.	Financial and non-financial measures increase the productivity of companies through their impact on TQM.
The relevance of environmental regulations for business operations (number of environmental consents required)	Le Roux et al., 2008.	Higher number of environmental consents is reflected in higher environmental compliance costs for companies.	As more environmental consents represent additional costs to companies it is to expect a negative relationship between this variable and productivity.
Quality of public institutions	Eichfelder and Vaillancourt, 2014; Slabe-Erker and Klun, 2012.	Higher institutional quality decrease environmental compliance costs for companies.	It is to expect positive effect of the quality of institutions on productivity.
Interventional measures (e.g., extended reporting deadlines)	Klun, 2011; Kochanova et al., 2020; Zuurmond and Robben, 2009.	Interventional measures decrease environmental compliance cost for companies.	It is to expect positive effect of interventional measures on productivity.
Economic development of regions	Zhu et al., 2014.	More economically developed regions, where clustering is more present, decrease environmental compliance cost for companies.	Higher productivity is expected in more developed regions.

Source: own

3.3 Impact of environmental compliance costs on productivity

A systematic study of the impact of environmental regulation on companies' productivity began in the 1980s when the prevailing neoclassical view considered environmental obligations as costly, ultimately decreasing productivity and competitiveness of the companies (Christainsen and Haveman, 1981)

through detrimental effect on investment opportunities i.e., structuralists approach (Iraldo et al., 2011). For example, Jorgenson and Wilcoxon (1990) estimated that combined effect of mandatory pollution abatement costs and investments to comply with standards reduced average growth rate of real GNP by 0.2% in the US. Dufour et al. (1998) analysed the impact of environmental regulation on the growth of total factor productivity of the manufacturing sector in Quebec and found small but significant negative impact of environmental regulation on the Canadian productivity growth, decreasing it by 0.1%. On the one hand companies are faced with investment costs needed to comply with environmental standards, on the other hand environmental regulation presents opportunity costs of time spent and resources spent that could be more productively used elsewhere (Rubashkina et al., 2015).

Nevertheless, the negative relationship between environmental regulation and productivity has been challenged by the Porter hypothesis (Porter, 1991; Porter and Van der Linde, 1995) which in general argues that environmental regulation, if properly designed, can enhance economic performance as it stimulates companies to change production routines. This leads to increased compliance and reduced costs due to decreased resource inputs or increased efficiency (Slabe-Erker and Klun, 2012), meaning that the benefits outweigh the costs of regulation. Thus, environmental regulation can enhance innovation which leads to competitive advantages on the market and increases productivity of companies which at the end, on aggregate level positively affects productivity on the national level (Kozluk and Zipperer, 2014). Considerable amount of empirical research in the last decades have tested different versions of Porter hypotheses, analysed numerous sectors, and used various methods and indicators of measuring stringency of environmental regulation and productivity (Albrizio et al., 2014). The growth in the number of environmental policies worldwide as well as increased availability of data have enabled researchers to improve their empirical analyses in this field.

In this paper we focus on proxies used to measure stringency of environmental regulation. The purpose of analysis is to show that compliance costs can be used as a proxy for stringency of environmental regulation, which is in line with a claim of Ambec et al. (2013) that environmental regulation is frequently measured by the size of compliance costs. This gives support to the hypothesis that the compliance costs and productivity are interrelated⁸. Iraldo et al. (2011) made a list of indicators used as proxies for environmental stringency in various research. Most of the indicators are directly linked to the compliance costs (for example, costs of pollution control, pollution abatement costs, pollution control operating costs, etc.) implying the relevance of the size of compliance costs on productivity. More recent important research of PH used indicators such as EPS⁹ index (Albrizio et al., 2017; Martínez-Zarzo et al., 2019) or PACE¹⁰ data (Rubashkina et al., 2015), which are also directly

⁸ At this point it is trivial whether the connection is positive or negative.

⁹ Environmental Policy Stringency index is a composite index developed by the OECD.

¹⁰ Pollution abatement and control expenditures.

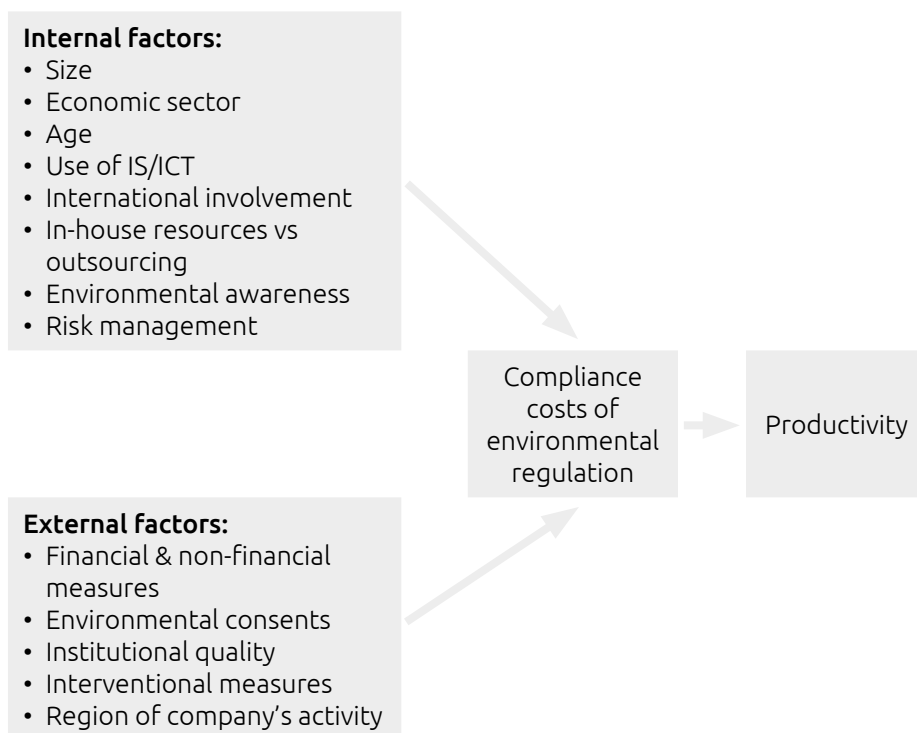
(PACE) or indirectly¹¹ (EPS index) related to the compliance costs of environmental regulation. Xie et al. (2017), suggest that adequate measures of environmental regulation stringency play a pivotal role in testing PH, while it is not only the stringency, but also design or instruments of the regulation that need to be considered. Usually, the literature differentiates between three types of instruments, namely (i) the command-and-control (environmental standards), (ii) the market-based or economic (taxes and tradable permits) and (iii) the informal regulation or soft instruments (Ambec et al., 2013; Iraldo et al., 2011; Xie et al., 2017), while most of the studies examine only one type of regulation (Xie et al., 2017). Therefore, measuring holistically the size of compliance costs related to environmental regulation, both obligatory and voluntary, could provide the most comprehensive measure of the regulation stringency. One of a few studies that uses the size of compliance costs more holistically as a proxy for stringency of environmental regulation is the one of Manello (2017), in which he analysed different responses to environmental regulation on a smaller sample of Italian and German firms in chemical sector. His results demonstrated that firms suffering higher compliance costs in the first period, react and achieve higher productivity growth in later periods, giving support to the validity of the strong PH.

Based on these findings, we can propose a theoretical holistic model that includes various factors (independent variables) that potentially affect companies' environmental compliance costs while the latter can be further associated with the level of companies' productivity (dependent variable). Referring to the definition of researchers (Slabe Erker and Klun, 2012), productivity is defined as company's turnover divided by the number of companies' employees¹². Data on turnover and the number of employees is available through publicly available data, e.g., for Slovenia, Agency of the Republic of Slovenia for public law records and services. Data on this can also be obtained through a specially tailored structured questionnaire for companies. The graphical presentation of our conceptual model is presented in Graph 1. Based on this, we answered a RQ 3 on whether the level of compliance costs of environmental regulations impact the productivity of the company.

¹¹ More stringent regulation implicitly means higher compliance costs.

¹² Unit: in 1.000 € per number of employees.

Graph 1. Conceptual model of internal and external factors impacting compliance costs of environmental regulation and its indirect effect on productivity



Source: own

4 Discussion and conclusion

Throughout the literature review we have identified eight internal and five external potential factors and made predictions about their impact on the relative size of environmental compliance costs and productivity, thus, providing answers to first and second research questions. Internal factors comprise of company's characteristics, namely: size of the company, economic sector of activity, company's age, use of ICT, outsourcing, environmental awareness, international involvement, and risk management. For example, micro and small companies are expected to bear higher environmental compliance costs than larger companies, the same is expected for younger companies or existing older companies that have expanded their business into new activities. Companies that use less ICT, those which are not keen to use outsourcing of services, have not been engaged in environmental activities, have expanded its business internationally or have not been implementing risk management are expected to face higher environmental compliance costs as well. Still, although the literature mentions economic sector as a potential factor, the results of its effect are mixed, making any predictions unfavour-

able. External factors are the ones which are not determined by the business of companies, namely: financial and non-financial measures, environmental consents, institutional quality, interventional measures, and region of activity. Among external factors, financial and non-financial measures are expected to increase environmental compliance costs for companies, as well as more environmental, lower institutional quality, and less interventional measures. Similarly, companies in more developed regions might face lower environmental compliance costs if we assume that geographical clustering of industries generates collective efficiency through knowledge and experience spill overs. Based on the analysis of indicators used in the research related to the impact of environmental regulation stringency on companies' productivity we have answered to the third research question; total size of compliance costs is expected to be a significant factor of companies' productivity. Deriving from the answers to the research questions we have proposed a holistic model of internal and external factors affecting the relative size of compliance costs of environmental regulation, and further their indirect impact on productivity. It can form a basis to analyse further the effects of environmental regulation on productivity of companies i.e., testing the Porter hypothesis.

Our findings and results can be considered as a professional basis for future institutional reforms of environmental regulation as well as for governmental programs intended to administrative burden reduction, better regulation and quality in public administration and special training for civil servants. Identifying factors of compliance costs and measuring their impacts on costs and productivity provides insights to policy makers for implementation of environmental regulation. Environmental regulation is a critical instrument for achieving sustainable economic and social development, recognizing effects of different policy instruments represent valuable information to policy makers. It broadens the understanding of why regulation can be detrimental to some particular types of companies. This aspect is often overlooked as policy makers usually focus on environmental measures to improve environment (less pollution, better air, water, etc.) as the main purpose of environmental policy is to improve living conditions for the society in general. For companies such changes in regulation may cause major obstacles for further development or raising profits, which could result in decreased investments and consequently lower productivity. Still, companies that are willing and able to adapt to new or modified regulation will probably improve and innovate, while the process of adaptation to new requirements depends significantly on how environmental policy is implemented. Administrative burden should be as low as possible and policy makers should pay more attention to avoid or minimize requests that are not necessary (i.e., double reporting, high frequency of reporting, many required registrations) and consequently decrease compliance costs of enterprises. According to the literature review, simplifications of procedures are especially relevant for micro and small enterprises which are subject to the same legal formalities as larger enterprises, while incur higher relative costs. However, as this paper points out, size is not the only factor that influences the differences in the relative size of compliance costs for the companies yet, some limitations of the study need to be considered.

Although we did a comprehensive literature review, there might be literature and factors that we did not cover in our analysis. Further, our model is based on the literature review, that needs further empirical testing.

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Improving Budget Transparency to Achieve Effective and Sustainable Governance

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ABSTRACT

Purpose: The sustainable development concept implies the involvement of citizens in the budgetary process. Since the Covid-19 pandemic and its consequences have confirmed the importance of citizens' involvement also in the future, the purpose of the paper is to assess the level of interest in budgetary issues as well as the reasons for budget transparency stagnation as reported for Slovenia by the Open Budget Index (OBI).

Design/methodology/approach: The study relies on a combination of desk research and survey carried out among employees directly or indirectly connected to public finance issues in public sector organisations. The statistical analysis is based on 251 fully completed surveys.

Findings: The results confirm the lack of political will as the main obstacle to budget transparency and the stagnation reported by the Open Budget Index for the past years, suggesting that the stronger the interest in budget transparency expressed by the respondents, the more likely they see political will as an important barrier.

Academic contribution to the field: The findings of the paper contribute to the isolation and potential further development of the factors that influence the transparency of the central budget.

Originality: The paper is a pioneer attempt to study central budget transparency in Slovenia, offering results that can be compared to other EU countries.

Keywords: transparency, budget, accountability, barriers

JEL: H83

1 Introduction

Started under the New Public Management (NPM) framework but continuing also under public value management (PVM) concept, public administrations were being required to be more efficient, to provide more transparency to citizens, to create an operative framework, which facilitates competitiveness, and to enhance greater information and participation in public life for all social agents (Perez et al., 2010). Transparency has been recognized as one of the most important characteristics in public sector management. The government transparency presents the right of access to government information, which is the precondition for accountability and democratic participation (Osborne, 2010). It is also an essential factor for citizen involvement in political decisions (Bertot et al., 2010). Consequently, governments should pursue the increasing citizens' involvement and enhancing accountability by improving accessibility and transparency (Rodríguez Bolívar et al., 2015). The effective governance, among other areas, refers to budget transparency.

Budgetary information has traditionally played a relevant role to achieve accountability in governments since financial information is supposed to be most important for policy objectives reconciliation and implementation (OECD, 2002). That specific information should have a significant impact on financial sustainability, which is linked to government solvency in terms of the governments' ability to meet the costs of current and future debt with future revenues (EU, 2012).

Not just as the phenomena themselves, the budgetary transparency has been measured and evaluated systematically for the last couple of decades; based on extensive questionnaires and diagnostic tools to examine the budgetary transparency (IMF, 2007; OECD, 2002). The International Monetary Fund issued the budget transparency recommendations in the Code of Good Practices on Transparency in Monetary and Financial Policies, 1999. Later it developed it in the Code of Good Practices on Fiscal Transparency (IMF, 2007) and in 2019 updated it in The Fiscal Transparency Code (IMF, 2019). Accordingly, fiscal transparency is identified as "comprehensiveness, clarity, reliability, timeliness, and relevance of public reporting on the past, present, and future state of public finances". It covers four pillars, namely fiscal reporting, fiscal forecasting and budgeting, fiscal risk analysis and management, and resource revenue management. In the perspectives of public finance management, it underlines certain recommendations on how to raise transparency of public funds (Molotok, 2020).

The higher level of budgetary transparency means more sophisticated governance management, which reflects in enhanced government responsibilities, providing vital information to the public and reduction of corruption (Cimpoeru and Cimpoeru, 2015). One of the most widespread tools for budgetary transparency measurement is the Open Budgetary Index (OBI). The Center on Budget and Policy Priorities (CBPP) and the International Budget Partnership (IBP) collaborate with civil society around the world in order to use the budgetary analysis and acts as a tool to improve the efficiency of public funds

governance (Heald, 2012). Based on the evidence available to the public on how the country manages its public finances, the index (OBI) for each country is calculated and countries are ranked (Renzio and Masud, 2011).

Transparency as a concept has entered government agendas and acquired social importance in the last couple of decades (Bessette, 2001; Hood, 2006). It has multiple meanings, as well as multiple rationales, purposes, and applications. In our context, transparency presents the opening of the internal organizational processes and decisions to third parties, whether or not these third parties are involved in the organization. The unknown background of political options is exposed as one of the main reasons for growing initiatives and discussion about greater transparency in public administration, since the electorate is incapable of punishing politicians involved with corruption and other forms of illegal conduct (Zuccolotto and Teixeira, 2014). The Universal Declaration of Human Rights (Article 19), which presents the heart of the modern processes of accountability and the legitimization of public authorities, defines transparency as “a non-negotiable right to know”. In conditions where transparency is equalized with organizational methods and processes, the complete reversibility of information exchanges between the general public and public sector organizations is enabled. This reversibility is at the heart of the current transparency concept due to the fact that it makes the great movement from historical absolute privilege and the discretionary use of information to a system where privilege is the exception (Pasquier and Villeneuve, 2007). According to Kosack and Fung (2014) there are four distinct varieties of transparency: (a) freedom of information; (b) information asymmetries, which presents need for responsible corporate behaviour; (c) disclosure to improve public services and financial disclosures of corporations; and (d) product safety disclosures.

There are several definitions of transparency, joined by term “information accessibility” as a common element. Budget transparency is defined as the clarity, reliability, frequency, timeliness, and relevance of public fiscal reporting and the openness to the public of the government’s fiscal policy-making process (IMF, 2012). Since budgets illustrate how public resources are used, budget transparency is promoted to facilitate policy analysis and to enhance accountability (IMF, 2019). There are several methods and research approaches for measurement of budget transparency. Blondal (2003) dissected the term on three components: a) the systematic and timely release of budget data; b) an effective role for the legislature; and c) an effective role for civil society.

The professional and scientific interest for the fiscal (budget) transparency has emerged in the last couple of decades, starting with the Asian crisis in the late 1990s and continuing with the Greece financial crisis, which threatened to splinter the Eurozone (Rios et al., 2016; Alt, 2019). The starting point is therefore the key role that budget transparency plays in the credibility of governments’ policies. An emerging body of literature witnesses the benefits of transparency for economic and governance outcomes, emphasizing that more transparent public finances are also characterized by better fiscal performance, lower sover-

eign borrowing costs, and lower levels of corruption (Renzio and Masud, 2011). Budget transparency is proven to facilitate accountability, contribute to the quality of governance and democracy, and promote public participation (Carliz, 2013). Improved fiscal transparency results in more trust in government (Heald and Hodges, 2020). Alt and Lassen (2006) and Alesina et al. (1999) have examined the impact of fiscal transparency on debt and deficits of 19 OECD countries. The study revealed that countries with lower transparency issued more debt, and increasing transparency led to the reduction in deficit financing cost. Kolstad and Wiig (2009) have emphasized the insufficiency of transparency to realize the positive outcomes with which it has been associated. It turned out that access to information is only the first step, while people need the ability to process and act on it, and the incentives to do so are also important. Additionally, the paper highlights the institutional capacity to reveal the benefits of transparency, pointing out mechanisms to punish corrupt public officials.

There are several factors, which have influenced the significance of the budget transparency concept; the pressures from 'above' reflect in increased interest by international financial institutions, while pressures from 'below' have emerged from the number of civil-society organizations. One of the best known, the International Budget Partnership (IBP), formed in 1997, has formed the Open Budget Index (OBI), which is widespread methodology for the promotion of budget transparency. It collaborates with civil-society groups around the world to undertake budget analysis and advocacy, using three pillars (transparency, public participation, and budget oversight) to sum up the final score.

Focusing mainly on the transparency pillar of OBI, the literature review has revealed that there are some papers exposing transparency as an important component of good governance and institutional quality, potentially resulting in economic growth and welfare as well as improvement of accountability and public trust in governments (Kaufman and Kraay, 2008; Manes Rossi et al., 2018). It has been proved that transparency can influence the improvement of governance efficiency (Piotrowsky 2007). Accordingly, it is interesting to explore which indicators are significantly important to explain transparency and consequently, which barriers prevent the budgetary transparency improvement. Some studies (Khagram et al., 2013; Ríos et al., 2013; Ríos et al., 2016) reveal the influence of politics as general expression for the term political conditions (electoral competition, political ideology, political rights, electoral cycle, and incumbents' ideology, etc.) Even more, there are some studies (Carlitz et al., 2009; Wehner and De Renzio, 2013) that have focused on budget transparency measured by OBI and revealed that economic and political factors (democracy development, free and fair elections, income level) are positively related to budget transparency, while foreign aid and natural resources are factors that influence budget transparency negatively.

Besides politics that has been proved as an important factor or barrier for the budget transparency, the citizens' interest in public money handling seems to be an important factor, although the level of knowledge differs among citizens and countries (Citro, 2021). In this context, the newest studies introduced

even term “citizen-centric budgeting and reporting” as the process in which awareness of taxes imposed, resources spent and changes to the provision of services of ordinary citizens increased (Manes-Rossi et al., 2020, Anessi-Pessina et al., 2020). Connected to citizens’ perception of budget transparency, the influence of the internet and formal education of citizens increase the budget transparency (Rios et al., 2016; Rios et al., 2013), although full disclosure of all relevant fiscal information does not necessarily mean that citizens know if they are getting a good deal for their money (Sedmihradská, 2015). Additionally, the internet and web-based tools can improve openness and transparency in terms of online budget transparency, although this “online transparency” seems to be in the initial phase of research (Ott et al., 2019).

Exposing the problem of potential incompatibility of the “access to budget information” and “access to good public funds governance”, the intertwining principal-agent theory seems unavoidable. This theory problematizes the relationship between citizens (principal) and politicians (agents), exposing the self-oriented objectives of the politicians as the main motivation, instead of the interests for the citizens’ welfare. Those interests are presented as re-election, career building, income increase, etc. (Ferejohn, 1986; Ott et al., 2019).

Among 117 governments assessed in the Open Budget Survey 2019, four out of five failed to reach the minimum threshold for adequate budget transparency and oversight, and even fewer provided opportunities for the public to participate in shaping budget policies or monitoring their implementation. The observation of the Slovenian decreasing budget transparency position in the period from 2008 till 2019 has been the motivation for the paper. Through the content (questions) of OBI survey and index trend research in the last years, our study has focused on the barriers that prevented the implementation of the recommendations provided by the OBI assessment report. Since the Slovenian ranking has not been improved significantly in the last few years, the main aim of the paper was to research the Slovenian OBI timeline (adding some interesting comparisons) and to isolate and evaluate the most important barriers to government budget transparency. Using the methodology of survey questionnaire, our research is focused on two research questions. Firstly, what was the trend of Slovenian OBI changing in the period from 2008 till 2019 and secondly, which barriers are significantly important to explain recommendations for OBI improvement.

The first chapter presents the introduction into the topic, while the second chapter focuses mainly on literature review. The third is dedicated to the methodological specifics and the results of the study. In the last chapter the discussion and conclusion are presented.

2 Methodology

The selection of the research method was adapted to the particularities of the research problem (Patton, 1990; Yin, 2009), also considering the specifics of the research topic. For the first research question, desk research has been

used, focusing mainly on the International Budget Partnership (IBP) webpage and some other important resources. The Open Budget Survey (OBS) is the world's only independent, comparative, and fact-based research instrument that uses internationally accepted criteria. It is divided into three parts, which assess: a) public access to central government budget information (budget transparency); b) formal opportunities for the public to participate in the national budget process (public participation); and c) the role of budget oversight institutions such as the legislature and auditor in the budget process (budget oversight). Since the research was primarily interested in budget transparency, the two other parts were abandoned. The budget transparency part measures public access to information on how the central government raises and spends public resources. The main objective is to assess the online availability, timeliness, and comprehensiveness of eight key budget documents using 109 equally weighted indicators and scoring each country on a scale of 0 to 100.

Due to the specifics of the topic, the second research question has been explored based on a survey. Since the knowledge and interest in the budget transparency topic has turned to be an important determinant of the perception of budgetary transparency (Citro, 2021; Jones and Pendlebury, 2004), these two determinants have been incorporated in the research framework. Using the factors of knowledge and interest in the topic, the survey population has been formed. Since Slovenia is small country, the idea has been to include the population (not just the sample) to obtain results as reliable as possible. On this basis, the list of potential respondents has been compiled, collecting the email addresses according to two double strategies. Firstly, the contacts (email addresses) from the professional public (experts from Ministry of Finance, auditors from Supreme Audit Institution, universities' professors, specialists in non-governmental organizations, etc.) have been collected from web pages, and secondly, contacting the persons from the list for further recommendation, the list of contacts has expanded. This contact has been done by email, explaining the idea and the requirements that potential respondents should have. The final list of email addresses, which presents our population, included 481 email addresses of potential respondents. The survey has been distributed to the population of 481 individuals, while the response rate has been 52,18%.

The conceptual framework of our study leans on the up-to-date studies (Ott et al., 2019; Khagram et al., 2013; Ríos et al., 2013; Rios et al., 2016; Carlitz et al., 2009; Wehner and De Renzio, 2013; Sedmihradska, 2015), which have confirmed the political factor as one of the most important in budget transparency assessment. Additionally, and based on the interview with the state secretary at the Ministry of Finance, which oversaw the evaluation of the OBI survey for 2019, the main purpose of which was to detect and/or verify the main barriers, political will and two other barriers have been isolated. The interview has exposed the mistakes of the professional services of the Ministry of Finance, often caused due to lack of time/short deadlines. Both detected factors in our qualitatively supported research, have been, although modestly, considered in the previous studies (except Mikesell and Mullins, 2011; Ott

et al., 2010; Heald, 2012). In this first phase, the main barriers (political will, mistakes of professional and short deadlines) influencing the budget transparency as the inhibitory factor were determined.

Secondly, the preparation phase has been continued with the pilot survey, which has tested the comprehensibility and comprehensiveness of the study. The survey consisted of the introductory part, in which the purpose and objectives of the study have been explained. There were also some questions about the general experiences of the respondents with the possibilities to get information about Slovenian public finance on the internet or any other way. One of the questions has verified the interest in public finance in connection with transparency of the survey respondents. The main part of the questionnaire has focused on the evaluation of the barriers (negative indicators) that influence the ranking of Slovenia. The survey questions in this part were constructed with the main objective to evaluate, on a five-point scale: (a) completely disagree, b) not agree, c) neither agree or disagree, d) agree and e) completely agree) the respondents' perception on barriers that prevented the recommendations that were given in the last OBI assessment:

- Slovenia should publish its draft budget online in a timely manner;
- all interested parties (e.g., non-governmental organizations, vulnerable groups, associations) should have the right to participate in the discussion of the Finance Committee in the National Assembly about the draft budget and annual accounts for the previous year are discussed and,
- the public should be more involved in the budget preparation process (participation in the parliamentary session when discussing the draft budget and final accounts).

How often do you think or discuss about the government spending?

Since OBI measures the budget transparency through online availability, timeliness, and comprehensiveness of eight key budget documents, the main idea of the second part (second research question) has been to evaluate the perception of budget transparency from the public point of view. The research design has been conceptualized as assessment of three constructs of transparency. In our research framework, those three constructs were taken from the OBI assessment for year 2019, in which they are presented as recommendations (independent variables). On the other side, according to the literature review (Khagram *et al.*, 2013; Ríos *et al.*, 2013) and our research design (interview), the dependant variable was determined as: a) the political will, b) the mistakes and inconsistencies of the professional services of Ministry of Finance, c) too short deadlines, and d) public disinterest.

In this manner, our empirical part of the research has been built on the following two hypotheses:

1. The professional public perceives the politics as the most significant barrier for OBI recommendations implementation in Slovenia.

2. There are significant differences in the perception of the professional public of budget transparency regarding the barriers and different recommendations.

The results were obtained through the intensive process of the survey response collection, including several reminders. All these procedures have resulted in 251 fully resolved surveys.

The statistical analysis has proceeded in five stages:

- data was collected, classified and presented according to barriers (political will, the mistakes and inconsistencies of the professional services of Ministry of Finance, too short deadlines and public disinterest) for all three recommendations together;
- for each barrier, the % of scores of respondents for each recommendation was calculated as frequencies and presented;
- comparison of average scores for each barrier (and separately for recommendation) has been prepared as descriptive statistics;
- according to the general assumption that normal distribution of variables and homogeneity of variance has been confirmed; one-way ANOVA was used to confirm different perception on OBI improvement regarding four different barriers on three different recommendations;
- correlation analysis (using Pearson's correlation coefficient) was used to check which barriers regarding recommendations significantly correlate.

3 Results

The first part of our research has focused on the timeline of Slovenian OBI changes in the period between 2008 and 2019. In the first part of OBI measurement, the budget transparency is assessed based on the online availability, timeliness, and comprehensiveness of Pre-Budget Statement, Executive's Budget Proposal, Enacted Budget, Citizens Budget, In-Year Reports, Mid-Year Review, Year-End Report, and Audit Report. The results are presented in Table 1.

Table 1. The scores and the ranking of Slovenia in the period 2008–2019 based on OBI

Year	Scores	Ranking	Pre-Budget Statement	Executive's Budget Proposal	Enacted Budget	Citizens Budget	In-Year Reports	Mid-year Review	Year-End Report	Audit Report
2008	74	9/85			Unavailable data					
2010	70	11/94	Not Produced	Available	Available	Not Produced	Available	Available	Available	Available
2012	74	11/100	Available	Available	Available	Not Produced	Available	Available	Available	Available
2015	68	15/102	Not Produced	Available	Available	Not Produced	Available	Available	Available	Available
2017	69	17/115	Late or not published online	Available	Available	Available	Available	Available	Available	Available
2019	68	22/117	Late or not published online	Available	Available	Available	Available	Available	Available	Available

Source: Own, based on International -Budget Partnership (IBP) webpage, 2022

The results in Table 1 reveal that Slovenian OBI has decreased from 2008 till 2019. Slovenia was ranked 9th in 2008 but finished in the 22nd place in 2019. The Pre-Budget Statement is the document causing most problems, which was prepared in 2012 for the first time but was omitted in 2015. In 2017 and 2019, it was published late or it was not published online. Citizen budget as the simpler and less technical version of the government's Executive's Budget Proposal or the Enacted Budget, designed to convey key information to the public, was also produced in 2017 for the first time.

In the second part of our research, the survey methodology was used. The results have revealed that 90% of respondents think or discuss about the government spending (58.40% from time to time, 31.60% regularly), while only 10% never or rarely consider or discuss how the government spends budget funds. This result confirms that our study is based on respondents (population) who are interested in the topic, while the classification on the list of potential respondents (done in the preparation phase considering the professional position) proved the appropriate level of knowledge.

In the next step, all three barriers detected in the literature review phase and in the interview with the Ministry of Finance representative were tested, adding the control barrier (public disinterest). Since recommendations have been given with the objective to improve Slovenian budget transparency (index), our analysis has joined the recommendation according to barriers. The results of the analyses are presented in Table 2.

		Recommendation 1	Recommendation 2	Recommendation 3
Political will	1-I completely disagree	5.71%	6.17%	6.22%
	2-I do not agree	6.94%	9.47%	7.47%
	3-I do neither agree or disagree	13.47%	18.52%	19.09%
	4-I agree	35.92%	27.57%	24.48%
	5-I completely agree	37.96%	38.27%	42.74%
Mistakes	1-I completely disagree	17.14%	25.31%	20.34%
	2-I do not agree	22.04%	19.50%	23.31%
	3-I do neither agree or disagree	35.51%	34.02%	32.63%
	4-I agree	17.55%	13.69%	14.41%
	5-I completely agree	7.76%	7.47%	9.32%
Too short deadlines	1-I completely disagree	6.20%	13.75%	10.08%
	2-I do not agree	21.90%	15.83%	20.17%
	3-I do neither agree or disagree	33.88%	36.67%	33.61%
	4-I agree	23.55%	22.92%	22.69%
	5-I completely agree	14.46%	10.83%	13.45%
Public not interested	1-I completely disagree	23.65%	27.78%	24.03%
	2-I do not agree	18.67%	21.79%	22.75%
	3-I do neither agree or disagree	22.41%	22.65%	22.75%
	4-I agree	26.97%	19.23%	22.32%
	5-I completely agree	8.30%	8.55%	8.15%

Source: Own, 2021

Table 3. The significance of the differences for variables interest for public spending and barriers assessment according to recommendation (R)

	R1_political will	R1_mistakes	R1_deadlines	R1_public not interested	R2_political will	R2_mistakes	R2_deadlines	R2_public not interested	R3_political will	R3_mistakes	R3_deadlines	R4_public not interested	Interest for public spending
N	245	245	242	241	243	241	240	234	241	236	238	233	250
	5	5	8	9	7	9	10	16	9	14	12	17	0
Mean	3.93	2.77	3.18	2.78	3.82	2.59	3.01	2.59	3.9	2.69	3.09	2.68	3.2
Std. Deviation	1.143	1.159	1.119	1.3	1.215	1.215	1.173	1.305	1.214	1.214	1.169	1.281	0.663
Variance	1.307	1.343	1.253	1.691	1.477	1.477	1.376	1.702	1.473	1.474	1.367	1.642	0.439
Skewness	-1.082	0.098	-0.007	-0.001	-0.812	0.235	-0.134	0.27	-0.907	0.238	-0.053	0.162	-0.656
Std. Error of Skewness	0.156	0.156	0.156	0.157	0.156	0.157	0.157	0.159	0.157	0.158	0.158	0.159	0.154
Kurtosis	0.457	-0.709	-0.731	-1.218	-0.307	-0.811	-0.684	-1.1	-0.131	-0.767	-0.748	-1.124	1.022
Std. Error of Kurtosis	0.31	0.31	0.312	0.312	0.311	0.312	0.313	0.317	0.312	0.316	0.314	0.318	0.307

Source: Own, 2022

Referring to the first, and theoretically most exposed barrier of “political will”, it has turned out that between 65.84% and 73.88% of respondents (completely) agree that the lack of political will is the main obstacle for Slovenian OBI ranking improvement. On the other side, the mistakes, or inconsistencies of the professional services of the Ministry of Finance have been assessed as less important, between 21.16% and 25.31% (depends on the recommendation), while 33.75% to 38.01% (depends of recommendation) of respondents perceive the short deadlines as the barrier for budget transparency (OBI) improvement in Slovenia.

Comparison of scores for different barriers (see Table 3) for all three recommendations has revealed that the barrier “lack of political will” has reached the highest average scores within all three recommendations (see 3.93 for Recommendation 1, 3.82 for Recommendation 2 and 3.9 for Recommendation 3). Based on this result it can be concluded that political will is perceived as the most influential barrier regardless of recommendation. The barrier of “the mistakes or inconsistencies of professional services of the Ministry of Finance” and “public is not interested in such topics” has been estimated similarly, both getting low scores. There are significant differences in assessment of different barriers, but not among recommendations, although recommendation 2 has been assessed with slightly lower average scores than the other two recommendations.

Since the study objective has been to research the barriers that prevented the Slovenian budget transparency improvement, the test (one-way ANOVA) was used to check if there are any significant differences in barriers (according to recommendations averages) and interest in public finance spending as the independent variable. At first, general assumptions of ANOVA were approved, resulting in normal distribution of variables (skewness and kurtosis within range -2.2) and homogeneity of variance, as variances are similar for each group (Table 4).

It has been found out that there are significant differences in barriers depending on interest of respondents for public funds spending (Table 4), except for Recommendation 3, for which there are no significant differences for “Too short deadlines” and “Public is not interested in such a topic” and interest for public spending. All other barriers turned to have significant differences in assessment of interest for public spending. In general, the interest for public spending most often shows significant differences in assessing barriers that prevented budget transparency (recommendation implementation). The null hypothesis of ANOVA is that there is no difference among group means and significance of <0.1 allows us to reject the null hypothesis.

Table 4. The significant differences in barriers according to recommendation

	Sum of Squares	df	Mean Square	F	Sig.
R1_political will /interest for public spending	Between Groups 38.355	3	12.785	10.981	0
	Within Groups 280.6	241	1.164		
	Total 318.955	244			
R1_mistakes /interest for public spending	Between Groups 9.858	3	3.286	2.491	0.061
	Within Groups 317.881	241	1.319		
	Total 327.739	244			
R1_deadlines/ interest for public spending	Between Groups 13.653	3	4.551	3.756	0.012
	Within Groups 288.347	238	1.212		
	Total 302	241			
R1_public not interested/ interest for public spending	Between Groups 13.668	3	4.556	2.753	0.043
	Within Groups 392.232	237	1.655		
	Total 405.9	240			
R2_political will /interest for public spending	Between Groups 37.821	3	12.607	9.428	0
	Within Groups 319.57	239	1.337		
	Total 357.391	242			
R2_mistakes /interest for public spending	Between Groups 16.602	3	5.534	3.881	0.01
	Within Groups 337.904	237	1.426		
	Total 354.506	240			
R2_deadlines /interest for public spending	Between Groups 13.504	3	4.501	3.368	0.019
	Within Groups 315.459	236	1.337		
	Total 328.963	239			
R2_public not interested/ interest for public spending	Between Groups 13.475	3	4.492	2.696	0.047
	Within Groups 383.14	230	1.666		
	Total 396.615	233			
R3_political will/interest for public spending	Between Groups 43.806	3	14.602	11.17	0
	Within Groups 309.804	237	1.307		
	Total 353.61	240			
R3_mistakes /interest for public spending	Between Groups 16.826	3	5.609	3.948	0.009
	Within Groups 329.593	232	1.421		
	Total 346.419	235			
R3_deadlines / interest for public spending	Between Groups 6.917	3	2.306	1.702	0.167
	Within Groups 317.049	234	1.355		
	Total 323.966	237			
R3_public is not interested in such a topic/ interest for public spending	Between Groups 6.713	3	2.238	1.37	0.253
	Within Groups 374.146	229	1.634		
	Total 380.858	232			

Source: Own, 2021

Table 5. The correlations of barriers that prevented OBI recommendations implementation and interest for public funds spending

Correlations	R1_political will	R1_mistakes	R1_deadlines	R1_public not interested	R2_political will	R2_mistakes	R2_deadlines	R2_public not interested	P3_political will	P3_mistakes	P3_deadlines	P3_public not interested	q1_interest for public spending
R1_political will	1	.351**	.269**	0.01	.648**	.269**	.226**	-0.038	.598**	.287**	.210**	0.061	.178**
R1_mistakes	.351**	1	.221**	.141*	.312**	.710**	.171**	0.075	.354**	.723**	.196**	0.112	.144*
R1_deadlines	.269**	.221**	1	.183**	.244**	.166*	.446**	0.107	.215**	.233**	.495**	0.074	.144*
R1_public not interested	0.01	.141*	.183**	1	-0.001	0.074	.134*	.631**	0.047	0.09	.173**	.628**	-0.003
R2_political will	.648**	.312**	.244**	-0.001	1	.304**	.304**	-1.168*	.725**	.288**	.282**	0.006	.174**
R2_mistakes	.269**	.710**	.166*	0.074	.304**	1	.353**	0.053	.321**	.817**	.336**	0.119	-0.084
R2_deadlines	.226**	.171**	.446**	.134*	.227**	.353**	1	.272**	.157*	.283**	.737**	.182**	0.105
R2_public not interested	-0.038	0.075	0.107	.631**	-1.168*	0.053	.272**	1	-0.063	0.101	.160*	0.084	-0.041
P3_political will	.598**	.354**	.215**	0.047	.725**	.321**	.157*	-0.063	1	.415**	.265**	0.13	.209**
P3_mistakes	.287**	.723**	.233**	0.09	.288**	.817**	.283**	0.101	.415**	1	.374**	0.13	.209**
P3_deadlines	.210**	.196**	.495**	.173**	.282**	.336**	.737**	.160*	.265**	.374**	1	.260**	.260**
P3_public not interested	0.061	0.112	0.074	.628**	0.006	0.119	.182**	.664**	0.084	0.13	.260**	1	-0.053
q1_interest for public spending	.178**	.144*	.144*	-0.003	.174**	-0.084	0.105	-0.041	.209**	-0.06	0.056	-0.053	1
Correlation is significant at the 0.01 level (2-tailed).													
Correlation is significant at the 0.05 level (2-tailed).													

Source: Own, 2021

Based on the insight about statistical significance of differences, the idea was to test the correlation between interest for budget transparency (public finance) and barriers (as inhibitory factors) for recommendation implementation (as a measure for budget transparency). Table 5 reveals the correlations of interest for budget transparency and barriers. There is a pattern of stronger correlations between the same barrier (for different recommendation) (R1_a correlates with R2_a with Pearson's Coefficient 0.648 and R1_a with R3_a with 0.598, etc.). That means that the respondents, who assessed political will as a stronger barrier for recommendation 1 (R1_a) are most likely to assess political will as a stronger barrier for recommendation 2 and 3 as well. The same barrier, political will (for three different recommendations), has significant correlations with the interest of the respondent for budget transparency. Finally, the stronger the interest in budget transparency respondents express, the more likely is that they assess the barrier of political will as important, while the recommendations do not play an important role, as all three variables "political will barrier" has significant and positive correlation to interest for public spending (q1).

4 Discussion

Government budget decisions have an impact on well-being of its people. Consequently, it is crucial that governments inform and engage the public on these vital decisions. Social reformers promote the idea that a high score of OBI is the main incentive to influence policymakers to adopt policies optimizing public finances. This optimization might reflect in enhanced government responsibilities, providing vital information to the public and reduction of corruption (Cimpoeru and Cimpoeru, 2015, Anessi-Pessina et al., 2020). The lack of a sufficient level of budgetary transparency might be a consequence of poor public interest consideration, which impedes the people's realization of their own democratic aspirations and freedoms. Our survey-based research of Slovenian budget transparency has revealed the general conclusion: the lack of political will is the main obstacle for the budget transparency part of OBI index stagnation in the last years. Even more, reconsidering the barrier "too short deadlines" into one that might be influenced/changed by politics (political will), it is clear that accountability for the budgetary (non)transparency should be focused on government. Similar findings about the influence of the legal and political system on budgetary transparency have been revealed in several studies, like Rios *et al*, 2016; Wehner and De Renzio, 2013, that challenges our further research of the topic. The lack of political interest might be the result of several factors: from intentionally overlooked to those that are the result of neglecting an area.

On the other side, our results also confirmed that the stronger interest in budget transparency respondents express, the more likely is that they assess the barrier of political will as important barrier, what can be interpreted good knowledge of interested respondents in the area. In truth, the lack of political will in Slovenia is supported by lack of awareness and activity of other actors in

this area. The public (not just experts') awareness of the importance of transparent budget spending needs to be built systematically to result in becoming a part of the day-to-day and established perception of politics' work and public spending. Once the technical-administrative conditions for OBI are met, which is easier to implement, it is necessary to include this part as one of the most important factors in public policy perception, with active participation and efforts of all actors within Slovenian society. By the way, the author is deeply convinced that the expansion of the survey on the general public would affect the results in the sense that the share of those who are not at all interested in the topic would increase significantly, while the respondents would not be able to determine the factors that decisively affect OBI assessment.

Re-examination of the Open Budget Survey Questionnaire results for Slovenia for 2019 led us to the conclusion that there were some omissions done in the assessment procedure. Namely, the "Citizens' budget" has been reduced on two pages and published in daily newspapers, while also the new website (<https://proracun.gov.si>) has been introduced to display budget expenses for the last 10 years. This additional re-examination has revealed that there were several activities undertaken in the budgetary procedure, which positively affect transparency. Since countries of all sorts (developed and developing) have expressed interest in the potential of transparency to improve governance (Kosack and Fung, 2014), the differences can be observed as far as possibilities are concerned. While countries at the earlier stage of economic and social development are facing current day-to-day problems, highly developed countries can provide better conditions for transparency and accountability. In this context, the experience from the past budgetary cycle procedures has shown that the tense legal deadlines prevented meetings with representatives of NGOs and various associations on consultation to improve transparency and public participation in the preparation of the budget. The fact is that line ministries, including the Ministry of Finance, hold meetings with representatives of various associations, non-governmental organizations, vulnerable and other interest groups to discuss the possibilities of financing their activities, but the fact is that minutes are not published online, what has influenced the OBI assessment.

Finally, our research has set the path for further development of this very important thematic. Our findings would suggest the exploration of factors (constructs) for each developed barrier regardless of recommendation in further research attempts.

5 Conclusion

The public in Slovenia can already influence the budget transparency – both through interest groups and through the political parties elected, as each party advocates a programme with priorities that emphasize individual segments of public spending. Since in Slovenia a significant part of public finances also runs through the local level of the state (municipalities), which are by definition closer to the people, participatory budgeting, i.e. direct influence of peo-

ple on the selection of projects and programmes financed from public funds are easier to implement at the municipal level. In Slovenia, there are quite a few examples of good practice in this area.

All of the above mentioned does not mean that there are no opportunities for the improvement of the budget transparency, but just that a critical position should be taken as far as the OBI index as the measurement tool is concerned. As any other benchmark, the index is the result of the scoring based on the human resource evaluation, that might influence the objectivity.

The main factor prohibiting greater budget transparency in Slovenia seems to be the lack of political will. However, with the instruments and technology in place as well as growing peer pressure in the budgetary transparency field, the OBI index assessment for the next period should be improved.

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Advances in Transparency and Right to Access Information in The Czech Republic – Evolution of the Interpretation of Contested Statutory Provisions¹

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ABSTRACT

Purpose: The article examines the advances in the transparency of the Czech public administration since the 1990s. Transparency is subtly intertwined with accountability, promotes democracy, and helps to prevent misuse of power or other types of illegal acting. Thus, the right to access information must be interpreted broadly enough, yet there are other rights such as privacy or trade secrets which must be respected at the same time. The paper therefore explains the balance between those rights that has been achieved through years of court interpretation. It explores the advances in the courts' views and the resulting improvements in the administrative practice, as well as the relationship between the right to information and accountability.

Design/methodology/approach: The author studies the crucial provisions of the Act on Free Access to Information. Based on an analysis of the interpretation by the Czech Supreme Administrative Court and the Czech Constitutional Court of the most questionable issues – such as the determination of which public institutions are considered obliged entities, the exemptions from the duty to provide information, remedies, and payments for complicated data searches – the paper shows the developments over the past 23 years. The paper also seeks to identify the

¹ This article is a revised version of the paper entitled Transparency of Administrative Bodies and Accountability of Public Officials – is There Any Link? – Analysis of the Czech Republic practice presented at the 29th NISPAcee Annual Conference Citizens' Engagement and Empowerment – the Era of Collaborative Innovation in Governance, 21–23 October, 2021, Ljubljana, Slovenia. The article was supported by the Student Grant Competition of University of Pardubice SGS_2022_017. It is partly based on research carried out by Dominika Tůmová in her master thesis defended successfully in 2021 which I had the pleasure to supervise. I wish to thank her for her contribution.

relationship between the outcomes of the analysis, i.e. the confirmed advances, and the accountability of administrative bodies which should theoretically result therefrom.

Findings: The case law on the interpretation of individual legal provisions is rather favourable to a broad access to information, restricting the exemptions and other obstacles. However, the article argues that in order to take full advantage of the gains in the area of free access to information brought about by the carefully argued case law and subsequent improvements of the obliged entities approach, the resulting accountability still needs to be elaborated.

Academic contribution to the field: The research contributes to administrative science by addressing the practical application of laws on transparency issues. It shows the importance of court support to an interpretation broad enough to balance other rights, such as the right to privacy. It provides a background for further research of the consequences, i.e., accountability.

Originality/significance/value: An overview of the evolution of court decisions interpreting controversial legal provisions is provided. The gaps between the advances in the implementation of the principle of transparency and the theoretically resulting accountability are identified.

Keywords: access to information, good governance, human rights, openness, transparency, rule of law

JEL: K40, K38

1 Introduction

Secrecy and non-accessibility to information related to government issues were the norm of totalitarian regimes in Central and Eastern European countries till the democratic changes in 1990ies. However, the change in the attitude of public administration does not happen overnight. President Masaryk wished for 50 years of undisturbed democracy for the new republic of Czechoslovakia. This wish may be interpreted to mean that there needs to be a continuous development and that it takes time to build a robust democracy based on the respect of law and human rights. Transparency as one of the key elements of good administration that enables control of public administration and thus should lead to improvements in dealings with public issues. The more transparent public administration is, the more citizens can be informed about its activities and may have background to form their own opinions regarding public issues and thus participate in public life. Access to information enhances the freedom of speech. Finally, transparency is believed to eliminate corruption. Especially with the development of information technologies, transparency is becoming more and more discussed as provision of information to the public is simplified. This is also related to the increase in demands on the information made available, e.g., in terms of the amount of information, machine-readable format, remote access, etc.

The change from secrecy to transparency is gradual and may take time and effort of both sides – the controlled and the controlling. Such controls are carried out not only by citizens but also by public institutions. The procedure needs to be set in robust legislation and the courts need to provide interpretation to enhance smooth running of the procedures and effective outcomes. However, too much openness may be harmful to other protected values such as privacy protection. To find the right degree of transparency might take difficult balancing. Thus, the case law helps to set the boundaries of what is appropriate.

Transparency of public administration can be understood more broadly as openness or in a narrower sense as free access to information. Access to information was enshrined in law in the second half of the 20th century. This legislation gained popularity after the Johnson Administration adopted it in the US in 1966 and the example was followed by a spread of legislation from the 1970s onwards in the west democracies (Meijer, 2014, p. 4). Post-communist countries did not enact it until the 1990s. In the Czech legislation, the right to information is guaranteed in the Charter of Fundamental Rights and Freedoms (hereinafter the “Charter” only) in its Article 17 together with freedom of speech since 1991.

Free access to information legislation experienced its boom at the turn of the millennium, the Czech statutory law was enacted first for specifically for environment as Act. No. 123/1998 Coll., on Access to Environmental Information and few months later generally in Act No. 106/1999 Coll., on Free Access to Information. By law, public institutions must respond to requests for information – take reactive measures (passive behaviour), but also make some information available on their own initiative (or if required by law) – take proactive measures (active behaviour) (Buijze, p. 32).

The article analyses the advances in the Czech Republic approach to the free access to information since the enactment of the procedure. Thus, case law of both Constitutional Court and Supreme administrative courts is analysed especially where they dealt with the difficult question of the scope of the right and exemptions, the obliged institutions and finally the payments which may hinder the exercise of the right to access information. “The decisions of these courts are usually based on the effort of these courts to preserve this fundamental right as much as possible” (Kadečka, p. 473).

Nevertheless, there are still areas to be developed. It is the objective of making institutions visible in order to make them accountable what makes transparency strengthen democracy and rule of law. Both transparency and accountability certainly contribute to government legitimacy. Transparency enables the citizens to see whether the government act according to the rules they are to obey, and accountability operates both as prevention from breach of rules and misuse of power and as punishment when such misconduct occurs. Transparency is generally believed to be a necessary precondition for accountability (Fox, p. 663). The article argues that to take full advantage of the gains in free access to information brought by the more than 20 years of the carefully argued case law and subsequent improvements of the obliged entities approach the accountability consequences need to be worked upon.

2 Literature review

The principle of transparency is one of the fundamental principles of good governance. It is the need for legitimacy of the government which is the main reason for adherence to this principle (Addink, p. 111). The basis of democratic governance is time limited government enabling change at each election. The winning political party (-ies) are given a period of several years to prove their ability to politically lead the country well in accordance with the expectations of the societal majority. As a consequence, the electorate does call the government to account at each general election and gives its verdict on the government performance in its previous term of office. And the threat of the ultimate sanction, losing the next election to one of the opposite parties, is enough to make the government seek good press for their initiatives in the hope that they will carry the electorate along with them (Webley, p. 341). Transparency and namely access to information is also a precondition to the freedom of speech and active involvement in political life. Every individual must have access to information in order to form his own opinion and initiate or enter public discussion (Wagnerova, p. 432).

Transparency also helps to build trust in the government and thus eliminates the risk of extremist parties gaining support from the public. The power of the executive grows as public policies become more complex. 'Competencies are frequently transferred to regulatory agencies that hold a considerable degree of discretion' (Addink, p. 111). Access to relevant governmental documents and providing reasons behind the policies and individual measures shed light on the public administration actual functioning. Possibility to check that these competencies are not misused, and predictability of future state operations helps the public to identify with the activities of public administration bodies.

Thus, when analysing transparency, we can distinguish two functions (Buijze, pp. 54, 56). First, it allows monitoring what the government is doing, checking public authorities or organizations to see if they are acting in accordance with the law and in favour of democratic principles. In its second function, it facilitates the decision-making of individuals who, thanks to a transparent environment, can anticipate the consequences of their behaviour

Within these functions, we can distinguish the goals that transparency helps to fulfil. Transparency contributes to democracy as it is a prerequisite for participation and responsibility. It helps the market to function as a transparent environment, allowing economic operators to make better decisions. Furthermore, it is a necessary precondition for the accountability of public authorities, it also contributes to the realization of the rights of individuals in order to prevent the violation of their rights (Androniceanu, pp. 111–112). Therefore, transparency does not have one specific goal, but helps to meet general goals, such as democracy, increasing trust in government, the implementation of individual rights, economic performance and the functioning of the market (Buijze, pp. 52–53).

Transparency is thus the opposite approach to secrecy. It has multiple meanings and can be interpreted broadly as openness or more narrowly as information availability. Openness is more dependent on the character of the institution and the approach of individuals. Thus, through legal regulation it is easier to ensure the access to information, production of governmental documents and the procedural aspects thereof.

It is usually defined as relation between an actor and forum (Bovens 2010, p. 946). Meijer defines transparency as “the availability of information about an actor that allows other actors to monitor the workings or performance of the first actor” (Meijer, p. 430). This means that there are four areas (1) First, there need to be the object of transparency and the subject who monitors the first actor. (2) There must be information flowing between the two actors – and it needs to be set which information as sensitive will not be provided. An inherent conflict with the private data protection occurs. This conflict needs to be solved by applying the principle of proportionality. (Hofmann, p. 489) (3) A procedure enhancing such flow should be enacted. (4) And finally, there should be some outcome in the form of evaluation of data available from the provided information together with consequences drawn if the outcomes are not satisfactory in the form of accountability and improvement of public services. The article follows the logic of these four areas and concentrates on the analysis of the controversies that might occur in each of them. It intends to show how dealing with these partial issues developed since 1990ies in the Czech Republic and whether transparency is improving the democratic direction of the country.

Transparency as principle binding on public authorities does not have to be explicitly stated in statutory laws, as its essence appears in individual legal regulations or in the definition of the activities of public institutions. However, it is connected to the freedom of speech usually as a very general guarantee of access to information leaving the details to statutory laws. In the Czech legal order, it is guaranteed by article 17 of the Charter of Fundamental Rights and Freedoms which rather laconically states that right to information is guaranteed, and everyone has right to freely to seek, receive, and disseminate ideas and information irrespective of the frontiers of the State. Par. 5 of this Article states that “State bodies and territorial self-governing bodies are obliged, in an appropriate manner, to provide information on their activities. Conditions therefore and the implementation thereof shall be provided for by law.” This law did not see the light till 1998 when due to the requirements set in the Aarhus Agreement and increased overall public concern about the state of environment devastated by the communist regime resulted in enactment of a law specifically dealing with access to environmental information – the Act No. 123/1998 Coll. Notwithstanding its importance in the beginning of its effectiveness this law was later overshadowed by the universal information access legislation, therefore it is set aside for the purposes of this article.

The more detailed statutory law regulation of the general right to information can be found in Act No. 106/1999 Coll., on Free Access to Information (hereinafter referred to as “Act”). The Act has a rather broad effectiveness, anyone

might require information without having to provide any reasons for doing so, the scope of institutions that are to provide information in its regime is rather wide. Generally, all information available to the institution is to be provided unless provided otherwise. However, some information may be sensitive and could be misused if it is made available to everyone. This type of information is covered by exemptions which are interpreted restrictively. Nevertheless, this current state is a result of continuous development of more than past twenty years of administrative practice influenced by the interpretation of the Constitutional Court and the Supreme Administrative Court commenting on the question the Act brought about and setting the sometimes subtle lines of what needs to be provided and under which conditions.

Transparency on its own would work as a pure incentive to publish information to the public, but without accountability there would never be any action against inappropriate behaviour of politicians, civil servants, or other actors. The public would learn about misconduct, but there would be not negative consequence to it. At the same time, a separate accountability principle would not make do, as there would be no incentives or evidence information for granting corrective action. Transparency therefore has a very strong position of a partner principle, as it creates accountability (Fox, p. 664) or, as some authors state, transparency is part of accountability (the so-called information phase) (Brandsma, p. 147). However, a high degree of transparency does not automatically mean a high degree of accountability or better performance of public administration. The level of responsibility of governments in Central Europe is relatively limited (Vesely, p. 320) and the low level of responsibility significantly correlates with the level of corruption.

B. Guy Peters distinguishes accountability per se, responsibility and responsiveness. In the strict sense accountability implies “that the independent authority to whom the account is rendered will have some capacity to enforce remedies for any perceived failures on the part of the individual or the organization that is found wanting.” (Guy Peters, p. 213) The process involves an external actor and hierarchical control either through regular reports that are to be submitted, or through ad hoc controls. On the other hand, responsibility implies some internal checks and is a more individually oriented concept. Finally, responsiveness rest in the fact that civil servants should be responsive to the political leaders who have been elected and thus enjoy some level of legitimacy. More broadly public administration should be responsive to the public who is affected by the making and carrying out of public policies (Guy Peters, pp. 214–215).

Accountability is a very broad and complex concept that is rarely applied in practice flawlessly. There are several repeating problems or shortcomings described in theories related to accountability. These are the liability deficit, the overload of accountability, the accountability trap and the so-called sleeping accountability. The occurrence of any of these is undesirable. Accountability deficit manifests itself as inappropriate behavior or unresponsive and opaque management (Bovens, 2010, p. 957). It is most often associated with the absence of political control by democratically elected representatives, but it can also be found in other types of responsibility. The accountability deficit

illustrates: “the condition that those who govern us are not sufficiently constrained by the requirements to publicly explain their behavior to the various types of forums that have a duty to sanction them” (Bovens, 2014, p. 229).

Discrepancies between the formal existence of many accountability mechanisms and their actual performance is a phenomenon of post-communist countries in Central and Eastern Europe. Veselý describes these deficits in the so-called EU-10, which includes: Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Lithuania, Latvia, Estonia, Romania and Bulgaria (Veselý, p. 314). In these countries, accountability mechanisms have only been incorporated in the 1990s, and in general we can say that they do not work as well as in Western European countries. In this respect, the term “sleeping accountability” has been used, which is characterized as: “insufficient use of established procedures and liability mechanisms” (Veselý, p. 320).

Sleeping accountability can be studied in more detail along to the three phases of accountability – the information, the discussion and the consequences – when they are not fully satisfied. In practice, the information phase is not the essential element causing sleeping responsibility, although it still might be improved.

3 Methods

For the purposes of this qualitative research, several different methods were applied as relevant. First, a comprehensive overview of the principle of transparency is carried out through literature review and using normative-analytical method. Through systematic approach, the author analyses the Act on Free Access to Information and its interpretation in the case law of both the Czech Supreme Administrative Court and Constitutional Court. The purpose of this analysis is to determine how the courts treat this principle what are the solutions to balance the answers to the main controversial areas and how the case law developed over the years. There are three main areas which are analysed – the entities subject to information disclosure, exemptions from the right, and remedies including the appropriate level of payments. The advances in the courts' views and outcoming improvements in the administrative practice are sought for. The main research question is how the approach changed and whether the conditions for strengthening of democracy and rule of law through transparency are supported enough through the statutory laws and court interpretation.

The examined sample of decisions was selected applying a combination of three following criteria. First, the most controversial areas where access to information could be hindered were defined – the obliged entities, the extent to which information is provided (i.e. which information is exempt from the duty) and finally the remedies including cases when unreasonably high payments are asked for by the obliged entities. Then, a sample of the case law of the Constitutional Court was provided through the NALUS² database for searching the

² NALUS is a database of the Constitutional Court's decisions enabling search by keywords available at <https://nalus.usoud.cz>.

case law over the whole period when the Act on Free Access to Information has been effective. The same with the case law of the Supreme Administrative court, which is available at the web page of this court. The first criterion for the selection of the case law in the electronic database was the connection to the Act and secondly the key words referencing the three identified areas were refined. The cases that were cited later most frequently were chosen for the analysis. In the discussion the author seeks for a relationship between the outcomes of the analysis i.e. the advances that were found and the accountability which should theoretically result therefrom so that the benefits of transparency could be used completely in favour of strengthening democracy. The author provides arguments that there should be more stress to take advantage of the results achieved in the field of transparency. In the conclusion a synthesis of the findings is carried out and proposals for further research are made.

4 Results

4.1 Public bodies required to disclose data and the extensive interpretation of “public institution”

The relationship between the actor and forum is a crucial aspect of transparency. The group of obliged persons must be defined clearly to ensure that attempts to evade the duty will be reduced to minimum. Defining those authorised to ask for information is much easier – the Act grants the right to everyone including children and legal persons. The actors obliged to proceed according to the Act are according to Sec. 2 par. 1 of the Act, state bodies, territorial self-governing units, their bodies, and public institutions. Their duty to provide information is limited to the information related to their competence. It does not apply to opinions and future decisions. Furthermore, according to par. 2 of the same section, those entities to which the law has entrusted decision-making on the rights, legally protected interests or obligations of natural or legal persons in the field of public administration, must provide information under the Act, but only to the extent of their decision-making activity (e.g. natural persons that authorised to carry out activities as protective guard in forests or protective guard of fishing activities). The obliged entities thus include the legislative, executive, and judicial bodies, as well as the Supreme Audit Office and the Czech National Bank; central state administration bodies (ministries and other central state administration bodies); the Ombudsman; Government Office; security forces of the Czech Republic; Public Prosecutor; municipalities, regions; and last but not least “public institutions”. This vague legal term leaves space for interpretation as with some institutions, it is not obvious straight away whether they are to be regarded public or not. This interpretation is crucial, as private institutions generally have no duty to provide information under the Act. “In relation to private legal persons, it is not only the right to privacy that is relevant for the assessment of the question under examination, but also the freedom of establishment guaranteed by the Charter in respect of legal persons that are engaged in business. This is because the breadth of the information obligation imposed by the law affects

their business, the value of their business establishments and their competitive position vis-à-vis their competitors” (Eichlerova, p. 235).

The Constitutional Court (hereinafter referred to as the “CC”) set criteria to assess the nature of a particular institution, in its key judgment file No. I. ÚS 260/06. The discussed case dealt with the public or private character of Prague Airport, a state enterprise. The criteria for this assessment were set as:

- a) the method of establishment (dissolution) of the institution (presence or absence of private acting),
- b) whether the founder of the institution is the state or not; if so, it is a sign of the public institution itself,
- c) the body forming the individual organs of the institution.
- d) existence or non-existence of state supervision over the activities of the institution, and
- e) public or private purpose of the institution.

The examined institution should be assessed according to the “predominance of features”, to assume on its public or private nature. The CC concluded that the state enterprise undoubtedly meets the criteria, and therefore it is a public institution.

Further doubts arose more recently in the case of a joint stock business company producing energy ČEZ, a.s. The state has a share in ČEZ, a.s. of approximately 70% and the company is listed thus anyone can buy and sell its shares on the market. The goal of this company is to make profit and thus it has an important interest in some of its activities not being revealed to its business rivals. The duty to disclose certain information could jeopardize its market position. The case law has undergone a certain shift since the key CC finding on Prague Airport. First, the Supreme Administrative Court (hereinafter referred to as the “SAC”) ruled in judgment file No. 2 Ans 4/2009-93 that ČEZ, a.s. is a public institution. The company was established during the so-called large-scale privatization by a decision of the National Property Fund (i.e., established by the state). The state has a dominant position in the company, and thus the creation of bodies takes place under the dominant influence of the state. Thanks to the dominant position, there is also state supervision over the activities of ČEZ. Further, the energy sector is one of the strategic, security and existential interests of the Czech Republic, and therefore the reason why the state retains a decisive share in this company is a public interest.

However, the CC to a constitutional complaint against the cited SAC decision came to a different conclusion in its decision file No. IV. ÚS 1146/16. The CC grounded its argument on the constitutional rule that duty can only be established on the basis of the law. The infringement was found because the definition of the concept of public institution was not provided by the law, but only by court jurisprudence. The CC concluded that while in relation to public bodies the vagueness of the term “public institutions” used in the statutory law does not constitute a problem, such a conclusion could not be made if

it were to apply to other entities. This is because the addressee of the duties arising from the right to information under Article 17(1) and (5) of the Charter are exclusively public bodies (public authorities) and not private law entities. For them, this obligation would have to be in accordance with the Article 4(1) of the Charter created by a statutory law, subject to other conditions arising from the constitutional order, including the requirement of legal certainty and proportionality of the interference with fundamental rights and freedoms. Classifying a certain private company under this term would – under its current statutory definition – would only be possible if it fulfilled the definitional characteristics of a public institution and at the same time, any legal consequences associated with its status would go exclusively to the public authority. A commercial company does not show the nature of a public institution within the meaning of Section 2(1) of Act No 106/1999, therefore, if the state or a local authority entity or other obligatory body under Act No. 106/1999 Coll. were not its sole shareholders, or if all of its shareholders did not consist of these entities.³ Furthermore, the CC explained that the aim of privatization was the privatization of state-owned enterprises, while at the moment of denationalization the direct management or founding function of the state ceased to exist. The company has therefore been a person of private law since its inception, which differs from the state and to which the Commercial Code applied. The creation of its bodies or the exercise of shareholders' rights then had a completely private regime. The CC agreed with the SAC that the company fulfils a certain public purpose, but the essence of its existence and operation is primarily carrying out business activities and making profit. The obligation to provide information under the Act would affect its position in competition, which could jeopardize its existence. The State "regardless of the size of its shareholding in a company, merely exercises its rights, which, like any other shareholder, confer on it the rules of private law." The majority share does not change anything in itself. Moreover, there is no threshold set in legal provisions the excess whereof would constitute an answer to the question whether it is a public institution or not.

ČEZ is thus not an entity with a duty to provide information pursuant to Sec. 2 par. 1 of the Act but has the status of the obliged person under Sec. 2 par. 2 of the Act.⁴ This decision thus narrowed decisively the situations when the duty of ČEZ, a.s. occurs.

However, the CC finally specified the decisive criteria in its decision file No. II. ÚS 618/18 of 2 April 2019. The case concerned another energy sector company - OTE, a.s., which is fully owned by the state. Theoretically, three solutions were possible based on the previous case law of the CC:

3 According to finding of the CC file No. I. ÚS 1262/17 the legal consequences associated with the status of the obligated entity under the Act No. 106/1999 Coll. apply to a private entity controlled by a public corporation, even if this control is applied indirectly (through a chain of other companies within the holding structure).

4 Sec. 2 par. 2 of the Act stipulates that: "Entities that have been authorised by law to decide on the rights, legally protected interests or obligations of natural or legal persons vis-a-vis the public administration shall also be obliged persons under the Act, however, only to the extent of their decision-making powers."

- a) a business company 100% owned by the state is not a public institution according to the (points 67–69 of the ČEZ decision),
- b) a business company will fall under the notion “public institution” within the meaning of the Act only if the state or a public corporation is its sole owner (points 70–71 of the ČEZ decision), or
- c) all such business companies, which show prevailing characteristics typical of public institutions fall within the scope of the notion “public institution” (in particular, the property share of the state, or a public corporation prevails - Prague Airport finding).

The CC explained that the purpose of the constitutionally guaranteed fundamental right to information is to enable and facilitate effective public control of the exercise of public power, which, of course, also includes control of the management of property values that are directly or indirectly controlled by public power. However, this purpose will be fully fulfilled not by limiting the range of mandatory subjects, but rather by choosing a solution for their expansion in case of doubt. The means capable of achieving the stated purpose are both the legal regulation of the register of contracts and the subordination of legal entities in which the state or another public corporation has a 100% ownership interest under the term “public institution” according to the Act on Free Access to Information. The reasons for which the given information duty, even if implemented in two different statutory laws, should apply to the same range of obliged persons, are identical. This entity is controlled by the state, and its existence and activity itself are exhaustively defined in the Energy Act, with the provision that it can only carry out further activity after approval by the ministry. Moreover, with regard to the monopolistic position of the company in this market segment, the information obligation does not affect it in any way, even from the point of view of its position within the framework of economic competition. “Proper and effective management of the funds available to the concerned entity is not only in the interest of a narrow circle of persons (primarily partners or shareholders) or an individual, as is the case with ordinary capital companies, but in the interest of the wider community [e.g., citizens of the municipality or region, if they are entities according to Sec. 2 para. 1 letter n) of the Act], or the entire society.” Thus, the CC concluded that: “The term “public institution” according to the Act also includes legal entities in which the state or another public corporation has a 100% ownership interest.” According to the cited legal opinion, even the fact that obliged entities carry out business activities and find themselves in a competitive environment with other private entities does not establish a reason for which public control of their management should be weakened.

Nevertheless, this opinion concerned only the issue of defining obliged entities and did not apply to the scope of specific information that should be provided. This scope can be limited by the Act, for several reasons which create exemption from the general duty to provide all information available. However, where there is no relevant interest in withholding information, the provision of information may not be refused.

4.2 Exemptions and their restrictive interpretation

It is generally accepted that not all information must be provided. Information revealed to the applicant exercising control over a public body will also be revealed to third party who may make use of it in ways that hurt the provider of the information. "Transparency on consequences is beneficial, transparency on action can have detrimental effects." (Prat, p. 863) Furthermore, the information may also concern a third party who might have a strong legal interest on this information being kept secret by the obliged entity. The range of specific information that should be provided with the request can thus be limited for several reasons. Restrictions can only be set by law. As has been repeatedly judged, the right to information is not an absolute right, and the obliged entities are therefore under no duty to provide all information. According to the findings of the CC decision file No. I. ÚS 1885/09 dated 5 May 2010 provision may be denied with regard to the interests enshrined in Art. 17, par. 4 of the Charter. This denial must be necessary in a democratic society, i.e., in particular proportionate to the interest being pursued as follows for example, from the decision of the CC file No. Pl. ÚS 2/10 of 30 March 2010, points 31 et seq., or decision of the CC file No. I. ÚS 517/10 of 15 November 2010, points 56 et seq.

The restrictions are covered as exemptions from the general duty to provide all information in Sec. 7-11 of the Act, specifically with regard to the protection of classified information⁵, protection of privacy and personal data, protection of trade secrets, protection of property confidentiality and further.

Rather often the obliged entities argued that they may not provide a contract they have entered into as it contains a trade secret the other party to the contract wishes to remain undisclosed. The courts interpreted this exemption narrowly. For example, in the decision file No. 3 Ads 33/2006 of 16 May 2007 the Supreme Administrative Court held that rather than subjective statement of a party to the contract the objective criteria set by the Commercial Code have to be applied when deciding whether a specific piece of information meets the criteria. "In the vast majority of cases, the reality will be that only part(s) of the document will contain information that can legitimately be considered (and protected) as a trade secret" (Furek, p. 465). Thus the court will order to produce the contract or other document containing the trade secret partially, without the information that falls within the exemption as in the judgment of the Supreme Administrative Court file No. 7 A 2/2003 – 73. Later, the issue has been solved by the Contracts Register Act which was adopted in 2015.

Furthermore, it is not possible to provide information regarding privacy and personal data. Here, the right to information conflicts with the right to pri-

5 Pursuant to Act No. 412/2005 Coll., on the Protection of Classified Information and Security Clearance, the right to information may be restricted with regard to classified information. Classified information must be included in the list of classified information (according to the Government Regulation No. 522/2005 Coll., which lays down the list of classified information) and there must be a potential risk that its disclosure or misuse could cause harm to the Czech Republic. If the applicant requests classified information, the obliged entity may not provide it. If the classified information is only a part of the requested information, the obliged entity shall exclude the classified information and provide the remaining part.

vacy, which is enshrined in Article 10 of the Charter. Thus, personal data are protected, however the absolute priority of personal data protection over the right to information is not in place and the two rights have to be balanced by the principle of proportionality in each individual case.

Therefore, the disclosure of personal data which is in the public interest will lead to publication of such data, if the public interest prevails over the private interest of the affected individual. The CC concluded in its decision file No. ÚS 517/10, that there is a public interest in learning about the Communist Party membership of individual judges during the totalitarian regime, even though it is personal data information. A political regime that refuses to disclose this information would be untrustworthy and would not be of a democratic state governed by the rule of law. Persons in public office enjoy a reduced level of personal data protection. The proportionality test is based on the presumption that the rights of judges are weaker than the right of the public to know how a judge has behaved in the previous regime. The CC further added that information on membership in the Communist Party is not an indication of the current political attitudes of the subjects and is therefore not an indication subject to the protection of personal data.

Interesting developments may be discerned in the case law dealing with salaries of public officials and employees of the obliged entities. In 2004⁶ the Supreme Administrative court held that it is not possible to provide detailed information together with names of individuals (members of a city assembly), however data may be provided in anonymized form. The first judgment⁷ ordering to provide information was passed in 2011 in which the Supreme Administrative Court denied taking the proportionality test as the information on remuneration should be provided under Sec. 8b of the Act ordering the beneficiaries of public funds to provide their personal data at request. The court continued that the right to personal data protection is not unlimited and thus quashed the decision of the regional court which denied access to this information. However, two years later⁸ the Supreme Administrative Court changed its position when another senate stated that the proportionality test must be carried out when providing information on remuneration. Thus, in principle, the court did not rule out that the provision of such information could be refused in some justified cases.

In October 2017 the CC changed this approach favourable to openness when it filed a rather controversial decision file No. IV. ÚS 1378/16 according to which the employer may refuse to provide the applicant with information about the employee's salary unless all of the following conditions are not met:

- a) the purpose of requesting information is to contribute to the discussion on matters of public interest
- b) the information itself concerns the public interest,

6 Judgement file No. 2 As 6/2004 of 10 August 2004.

7 Judgement file No. 5 As 57/2010 of 27 May 2011.

8 Judgement file No. 8 As 55/2012 of 28 February 2013.

- c) the applicant for information fulfils the tasks or mission of public supervision or the role of a “social watchdog”
- d) the information exists and is available.

This was not a solitary decision as the CC decided later similarly in its finding file No. IV. ÚS 1200/16 of 18 April 2018. However, the Supreme Administrative Court elaborated on these conclusions in its judgment of file No. 5 As 440/2019 dealing with a case of a journalist who had asked several times to be provided with information on salaries and benefits of high-ranking regional officials and was denied access to them despite of the decisions of the appellate body and courts. The court stated that, first of all, it is necessary to assess whether, in a specific case, the right to information is used as a tool for the realization of freedom of expression, or whether it is applied in the public interest. It is undoubtedly in the public interest that administrative authorities respect the decisions of administrative courts. The court continued: “Even in the case of information about the salaries of employees of public authorities, one can undoubtedly imagine situations where this condition will not be fulfilled - for example, information about the salaries of employees who do not participate in the exercise of public authority at all, while there are no doubts about the adequacy of the benefits provided to them.” Thus, the Supreme Administrative Court effectively reduced the situations when the information will not be provided to minimum.

4.3 Procedure, remedies, payments and their limitations

The Act requires that the obliged entities act proactively and publish certain information. Further information may be requested. The requests are not limited, they only need to include the question, and to whom should be replied. Generally, no reason why the applicant is asking needs to be provided⁹. The answer should be given in 15 days and there is a possibility to appeal against a negative or incomplete decision. The court review is carried out by administrative courts that may order provision of information. If the obliged entity remains silent or does not provide the information despite the court’s decision the applicant for information can file a claim to the court directly against the decision of the obliged entity, by which the obliged entity again refused to provide the requested information after the previous negative decision annulment by the appeal body according to the judgment of the Supreme Administrative Court file No. 7 As 192/2017.

Another obstacle abused by the obliged entities may be of financial nature. The Act in its Sec. 17 allows the obliged entities to charge a fee for the provision of information in an amount which must not exceed the costs relating to making copies, obtaining of data media and sending the information to the applicant. Obligated entities may also request a fee for a labour intense search for information. This fee is to be paid in advance. In a recent decision of the CC file No. III. ÚS 3339/20 of 1 July 2021 the CC dealt with a case of a journalist

⁹ In case of salaries of public officials the case law created some restrictions which are discussed below.

who asked the Police to provide a list of data on all criminal offenses recorded in the last five years preceding the submission of the application. The Police found that the processing of the request would be connected with an extraordinarily extensive search for information, and therefore, on the basis of Section 17 of the Act, set a fee of almost CZK 26 million (EUR 1million) using a qualified estimate. The CC found that the Police unjustifiably chose the most complicated possible way to deal with the application when they claimed they needed to search each detail manually and estimated that they needed four minutes per each crime. The CC therefore found their procedure in determining the payment not only unreviewable, but also highly irrational. According to the CC the obliged entity is to be a legal professional in the information procedure under Article 17 (5) of the Charter, which is to guide the applicants in the process of providing information in such a way as to satisfy them as far as possible; it is inadmissible for the obliged entities to transfer the responsibility for the successful processing of the application to the applicants and to blame them for the lack of activity where the administrative body should be active with regard to the basic principles of administrative activity. The obliged entity should look for ways to maximally comply with the submitted application and not with reasons to prevent its compliance. In view of the requirements of Art. 4 par. 4 of the Charter, care should be taken to review the justification for setting a fee for the provision of information not only in terms of its amount, but also in terms of effectiveness and rationality.

5 Discussion

The analysis of the three transparency key areas shows that there has been a tendency towards promoting the importance of this principle namely by the Supreme Administrative Court. The group of obliged entities has grown gradually as more cases proved the extensive court interpretation especially of the vague term public institution. The exemptions were often misused as excuses by administrative bodies and the administrative courts tend to interpret them narrowly. The examples above show, that there is a stable case law of the CC and the administrative courts interpreting the restrictions, i.e., the exceptions when information is not provided rather restrictively. Procedural aspects such as availability of appeals and court revision were also granted to the utmost extent by the case law. The CC approach seems to be partially influenced by its long ago set doctrine that all the rights granted by the Charter should be of the same value (although to some extent this does not apply to the social rights). Thus, the CC insists on protection of personal data and application of the proportionality test in each case when these are to be revealed to become public. The salaries case law seems to be even more restrictive on transparency, however the administrative courts interpretation seems to move towards a better balance. The payments are limited and review procedures including the access to administrative courts are enshrined in the law. This all may lead us to a conclusion, that the free access to information legislation and its interpretation are robust and should ensure transparency of administrative bodies.

However, the obliged entities' ignorance of the appellate administrative decisions and court decisions ordering them provision of information which is not only scarce unfortunately results in the right not being granted in practice. Moreover, it seems difficult to enforce these decisions. According to the resolution of the Supreme Court file No. 20 Cdo 3922/2009 it is not sufficient for the purposes of enforcement decision if the appellate body decision only orders to comply with the application and does not specify, how the requested information is to be provided. However, this is usually difficult, as the appellate body or the court do not have precise information about what is in disposition of the obliged person. Further, this disrespect together with situations when information is made public, however no consequences are drawn when the information reveals misconduct show the lack of accountability. In theory, transparency is closely intertwined with accountability. If left without consequences on its own would work as a pure incentive to publish information to the public, but without accountability there would never be any action against inappropriate behaviour of politicians, civil servants, or other actors. The public would learn about misconduct, but there would be no negative consequence to it. At the same time, a separate accountability principle would not make do, as there would be no incentives or evidence information for granting corrective action. Transparency therefore has a very strong position of a partner principle, as it creates accountability (Fox, p. 664) or, as some authors state, transparency is part of accountability (the so-called information phase) (Buijze, p. 147). However, a high degree of transparency does not automatically mean a high degree of accountability or better performance of public administration. The level of accountability of governments in Central Europe is relatively limited (Veselý, p. 320).

Theoretically, should a piece of information showing misconduct of a public official appear due to the transparency rules, such official should be held accountable. Legal mechanisms for holding public officials accountable through disciplinary proceedings for any intentional breach of rules and negligent misconduct are contained in the Act No. 234/2014 Coll., On Civil Service. The disciplinary action may result in dismissing the official, should such misconduct be proved during the proceedings. The basic preconditions of legal regulations include, for example, officials independent of the political environment, transparent selection procedures, clearly defined duties, remuneration based on performance, etc. Duties of civil servants may arise from legal and service regulations, and ethical standards set by internal rule.

Unfortunately, no national statistics regarding the numbers of those subject of disciplinary proceedings are kept. The Civil Service Section of the Ministry of the Interior, that is the authorised body, does not record collectively the number of disciplinary proceedings for all the public bodies in the Czech Republic. Unless the civil servant appeals against the decision of the disciplinary commission of the first instance, the Civil Service Section does not even know about the disciplinary proceedings. Thus, collecting the data would be extremely difficult if not impossible. The same applies to obtaining the source of information due to which the misconduct was revealed.

Since 2015, there has been an investigator position established with individual service authorities, appointed by the service authority to investigate allegations of suspected law infringements and to ensure the protection of the civil servant who announced such misconduct (the whistle-blower) and thus fears sanctions, disadvantage or coercion that may occur in connection with the notification made. The activity and designation of investigators is based on the empowering provision of Sec. 205 letter d) of the Act on civil service, on the basis of which the Government Decree No. 145/2015 Coll., was issued. It is a matter of course for the investigator's activities to protect the identity of the whistle-blower during the ongoing investigation; in the case of the whistle-blower's interest, the investigator has the opportunity to keep his identity secret. The investigator prepares a written report on the course and results of his investigation, which, with regard to the identified breaches of law or other misconduct, contains a proposal for appropriate remedial measures. All the designated investigators shall submit to the Ministry of the Interior a report on their activities for the past year, no later than 1 March of the following year.

The following table shows the statistics and proves a very low number of deficiencies and measures that were taken in response. We might expect, that the situation is similar in case of reacting to information provided on the basis of the free access to information.

Table 1. Summary survey statistics for the years 2017 to 2021

Year	2017	2018	2019	2020	2021
Total number of service offices where the investigator is appointed	107	107	108	109	109
Total investigators' reports sent	107	100	106	109	108
Total notifications received in the sense of Government Decree No. 145/2015 Coll.	71	57	55	41	21
Investigation finalised	39	48	38	21	18
Ongoing investigation	2	3	3	1	2
Transferred to another investigator	74	7	15	19	1
Forwarded to the competent administrative authorities*	61	28	67	230	111
Handed over to the administrative body competent to hear the administrative offense	10	0	1	2	0
Notification to the public prosecutor or to the Police of the Czech Republic	1	2	1	1	1
Identified deficiencies	11	9	6	5	2
Measures taken	11	9	9	6	2

* This is a transfer of other complaints or grievances that were delivered to the investigators, but it was not a notification in the sense of Government Decree No. 145/2015 Coll.

Source: Annual Report on the Civil Service: on the Civil Service in 2021.
Ministry of the Interior of the Czech Republic: Civil Service (Výroční zpráva, p. 79)

The issue of sleeping accountability could be solved through a more intensive citizen engagement by applying pressure on authorities. However, there needs to be a direct possibility of being sanctioned or not being re-elected. Some public authorities are more open than others to discuss with civil society ways to ensure the accountability of other state bodies. This all depends on the culture of the authority and individuals in management positions. This seems to improve by degrees; however, it might take other generation and confirm the words of President Masaryk about the 50 years necessary for democracy to start flourishing. The judiciary is certainly an important actor, and the analysis proves its role in promoting transparency, however the ministries and other superior administrative bodies should play a more active role in the accountability implications. Thus, effectiveness of transparency to promote accountability also depends on the availability of mechanisms to enforce sanctions. These sanction mechanisms would deserve a thorough revision as they do not seem to be sufficient.

6 Conclusion

Transparency requires access to information by public. The right to information is a necessary precondition for proper exercise of other political rights, such as freedom of speech and the right to vote and be elected. Further, transparency is one of the fundamental principles of good governance, as it implies the public insight in the work of administrative bodies. Every natural and legal person should be enabled to inspect how properly the public administration operates as well as public expenditures effectiveness. It helps to build trust in public administration and thus prevents from unpredictable results in elections favouring extremist parties.

The Act providing for a broad right to obtain information from administrative authorities and other obliged persons has been effective for more than twenty years in the Czech Republic. This has been enough time for stable case law of the administrative courts and the Constitutional Court to develop. The analysis proved that transparency is strongly supported by adopting a broad interpretation of obliged persons, rather restrictive interpretation of exemptions when information does not need to be provided and procedural provisions being explained in a way to make the access as easy as possible.

Provision of information on implementation of state policies, behaviour of politicians and officials, decision-making on public issues, etc., is not a self-sufficient goal. It is necessary to create an environment where a specific individual needs to be held accountable and bear the negative consequences associated with the found misconduct. Thus, government transparency and accountability are closely intertwined.

Proper statutory laws should assure not only that sufficient transparency sheds light on maladministration. Further, accountability should be ensured, so that individuals and institutions are held liable, bear legal consequences. The Czech Republic together with Central and Eastern European countries

face accountability deficits. The legal instruments are not necessarily as strong as they generally are perceived if the interconnections between the two principles are weak. The article argues that there has been sufficient concentration on transparency, the laws on free access to information and their interpretation have developed greatly during the past 20 years. However, as the level of accountability divulges the democratic character of the administrative system, the same attention paid to transparency would be needed for accountability to improve the democratic character of the country.

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Simplification and Electronisation of Administrative Procedure in the Visegrad Group Countries – A Sociological and Legal Approach¹

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ABSTRACT

Purpose: The purpose of the research was to examine the sociological issues related to the biographical experience of a participant in the administrative procedure in the Visegrad Group countries (the perception of public administration bodies and their organisation, current demands of the public in the field of public administration activities, providing appropriate tangible and intangible tools for officials). The secondary goal of the research was to determine the nature, significance, consequences and form of comprehensive modernisation of existing simplifications of the administrative procedure (The author understands the concept of simplification of administrative procedure as “an administrative procedure separated from the general administrative procedure and characterized by simplification of general normative solutions”). Since the scope of the concept of “electronisation of administrative procedure” does not fully include the concept of “simplification of administrative procedure”, the research referred to two areas of the administrative procedure that are complementary to each other (the relationships that occur between them, including by specifying common and separate parts of electronisation of administrative procedure, e.g. in the scope of keeping and making available files of procedure in electronic form). Moreover, solutions were presented in the field of simplification and electronisation of administrative procedures in the V4 Group countries, in institutional, subjective and objective terms.

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Design/Methodology/Approach: The analysis of domestic and foreign legal texts was used to implement the research assumptions (general legal regulation of administrative procedure presented by the Codes of Administrative Procedure and COVID-19 regulations in the V4 Group countries). Empirical research using sociological research methods was conducted in connection with the analysis of currently applicable simplifying solutions [the author implemented a component of social research using both qualitative methods – individual in-depth interviews with adult residents with biographical experience of being a participant in the administrative procedure (20 adults – 5 from each country of the V4 Group) as well as quantitative methods – online survey with participants of the administrative procedure (120 adults – 30 from each country of the V4 Group)]. In the research, the statistical method was applied to better illustrate the effectiveness of the currently conducted administrative procedure and to answer the hypotheses regarding the legitimacy of the development of the idea of administrative simplification.

Findings: The analysis shows that it is not yet possible to speak of an advanced development of administrative procedure in the Visegrad countries. The delay of the public administration in applying solutions that simplify administrative procedure is mainly due to unclear regulations and significant financial outlays needed. The above state of affairs has a negative impact not only on entities participating in the procedure but also on public administration bodies and administrative courts.

Practical Implications/Originality/Value: The initiated process of simplifying and electronising administrative procedure must always take the form of comprehensive legal solutions that will allow for effective and efficient operation of public administration bodies and enable individuals to exercise their fundamental rights. Therefore, the article presents the latest difficulties related to the administrative procedure and examples of their solution.

Keywords: *electronic communication, digitalisation of public administration, good administration, new technologies, principle of speed of the proceedings, public administration in V4 countries*

JEL: K40

1 Introduction

The presented research issues play an important role in simplifying and electronisation of administrative procedures in the Visegrad Group countries². Undertaking actions by the administration at the right time is a significant standard shaping the relationship between the state and the individual. The principle of speed and simplicity of operation, one of the cardinal principles of operation of the administration, is adopted in every Visegrad Group country³.

2 Ustawa z dnia 14 czerwca 1960 r. – Kodeks postępowania administracyjnego (Consolidated text, Journal of Laws 2021, item 735 as am., further: polish CAP); Act CL of 2016 on the Code of General Administrative Procedure (as in force on 2.01.2018, further Hungarian CAP); zákon č. 500/2004 Sb. ze dne 24 června 2004 further: Czech CAP); Zákon č. 71/1967 Zb. o správnem konaní (správny poriadok) (v znení zákona č. 204/2011 Z.z., further: Slovak CAP).

3 Art. 12 of Polish CAP, sec. 4 of Hungarian CAP, § 3 sec. 3 of Slovak CAP, sec. 6 of Czech CAP.

The postulate, which means the obligation of the shortest procedure duration, requires using the most economical and effective means in a particular case. It should be remembered, however, that the principle of material law applies equally, which affects the implementation of the principle of the speed of simplicity of action.

The right to good administration, which manifests itself even in the form of effective and efficient administration, is included in the fundamental rights of a citizen (Rixer, 2014, p. 125); therefore, ensuring appropriate conditions for its implementation is the goal of a democratic state ruled by law (Gołębiowska and Zientarski, 2016, p. 25). The fulfilment of the right to good administration leads to the delimitation of the scope of the relationship between the public administration and the individual (representing its own individual interest), who seeks the possibility of resolving a dispute in collision with the interest of the common good, represented by the administrative body (Srebalova and Peráček, 2020, p. 52; Pitschas, 1990, p. 110). In addition, it makes it possible to safeguard the rights of the individual and to systematise the conduct of entities carrying out public tasks (Princ, 2016, p. 109). Administrative law includes many legal acts, the provisions of which apply to virtually all spheres of citizens' life and the activities of the state. Due to this, from the point of view of good administration and access to an efficiently operating public administration, it becomes necessary to standardise or simplify the basic issues important for the functioning of public administration, which in the Visegrad Group countries have been regulated in a fragmented or divergent manner (Potěšil et al., 2021, p. 7).

The above state of affairs has a negative impact not only on entities participating in the proceedings but also on public administration bodies⁴ and administrative courts that apply the currently applicable law, as they encounter barriers limiting the ability to function efficiently, not only at the legislative level but also at the technical, material and personal level. Therefore, it is justified to conduct an analysis from a sociological and legal perspective and draw appropriate conclusions that will allow counteracting the obstacles existing in the administrative procedures of the Visegrad Group countries.

The cognitive goal of the research was to examine sociological issues related to the social perception of this issue (the perception of public administration bodies and their organisations, current demands of the public in the field of public administration activities or providing appropriate tangible and intangible tools for officials). Moreover, the secondary cognitive goal of the research was to determine the nature, significance, consequences and form of comprehensive modernisation of existing simplifications of the administrative procedure (Rixer, 2015, p. 82).

The fundamental assumption of the research was to answer the question: whether the currently existing procedural measures of a simplifying nature

4 In the report entitled Poland 2030, Poland, Slovakia and Hungary were defined as countries with ineffective and unproductive public administration, while the Czech Republic is on the border between the indicated factors (Wysocki, 2016, p. 173).

are beneficial for an individual from the point of view of protecting his rights. The criterion for assessing Visegrad Group countries' administrative procedures was their effectiveness⁵ and the simplicity of procedural measures of a simplifying nature, which was manifested in an increase in the number of cases handled in the same period of time and meeting social expectations concerning the activities of public administration bodies.

The method of analysis of domestic and foreign legal texts was used to implement the research assumptions. It is obligatory to refer to the procedures functioning in other countries covered by the research to solve the issue of simplification and electronisation of administrative procedures and to find effective solutions.

Empirical research using sociological research methods was conducted in connection with the analysis of currently applicable simplifying solutions. In the conducted research, the statistical method was applied better to illustrate the effectiveness of the currently conducted administrative procedure and to answer the hypotheses regarding the legitimacy of the development of the idea of administrative simplification.

Parallel to the ongoing cabinet analysis, which consists of content analysis, the research implemented a component of social research using individual in-depth interviews⁶ with adult residents with biographical experience for being a participant in the administrative process as well as a quantitative – online survey (CAWI⁷) with participants of the administrative process. The implementation of the CAWI survey was part of a multi-stage research process related to identifying and describing the simplification and electronisation of the administrative procedure in the Visegrad Group countries, both in its current and anticipated shape. The entire research process consists of implementing the desk research method and using both quantitative (CAWI) and qualitative techniques (including IDI).

2 Implementation of CAWI surveys

The survey in the countries of the Visegrad Group was carried out from 24th of April 2021 to 25th of August 2021. The CAWI survey entitled *"Handling of official matters in the opinion of customers (Where? What? How?)"* was posted on the webankieta.pl portal and made available to a wide group of potential respondents, including through social networks, e.g., on Facebook.com. The sample selection for the study was deliberate; the questionnaire was completed by adults who dealt with a matter that required contact with the public administration in the last 1.5 years (from the end of 2019 to April 2021).

5 Consisting in ensuring the optimal sequence of procedural activities of the authority, flexibility and adapting the procedure to the type of tasks carried out by the administration.

6 IDI. The analysis of in-depth interviews were computer-aided and was carried out using MAX-QDA software.

7 Computer-Assisted Web Interview – a computer-assisted interview using a website.

A total of 120 people (30 from each country) from the Visegrad Group countries took part in the research group. Less than 3/4 of the respondents who completed the questionnaire were aged 18 to 34. 1/4 of the respondents were aged 35 to 54, 2 were aged 55–59, and 1 person who completed the questionnaire was of senior age.

In analysing the education level of the respondents, higher education was predominant, and the remaining 19 respondents had secondary education.

Characterising the research sample in terms of place of residence, it was diverse. Almost half of the respondents supported themselves by paid work, 27 people had the status of students, 7 people were self-employed, 1 person had the status of pensioner, and 1 respondent was unemployed.

The respondents declared contact (frequent or less frequent) with institutions which, due to their specific nature and wide range of competencies, are more often present in their everyday life – local government units (at the commune and district level) and entities dealing with social insurance. The respondents most often declared a lack of contact with ministries, voivodeship offices and marshal offices. If someone declared contact with the ministry (17 such indications in total), it was rather frequent (5 indications) or definitely rare (7 indications); with the voivodeship office (14 such indications in total) – definitely frequent (4 indications) or rather rare (4 indications); and with the Marshal's Office (12 such indications in total) rather rare (5 indications) and definitely rare (5 indications).

Among the “other institutions” that 4 respondents contacted were: Okmányiroda⁸, Slovak National Center for Human Rights, GOAP⁹ and USC¹⁰, with which the respondents described the frequency of contact as “rather frequent”.

Analysing the distribution of the aggregate responses of the respondents, determining the type of contact with individual public institutions in order to settle the matter, we can conclude that fully personal contact, compared to the Internet and mixed contact, was experienced by a smaller number of respondents. This is an important observation from the perspective of implementing e-government solutions, the main goal of which is to increase the effectiveness of public administration in terms of providing services, simplify the handling of official matters and enable obtaining information on them (Meier, 2012, pp. 60–61). Such a distribution of responses may also mean an increasing catalogue of matters that can be managed remotely (Baranyi et al., 2018).

The Internet contact was the experience of 30 respondents, who settled their case in the tax office, 24 respondents in the city/municipal office, 16 in ZUS¹¹/KRUS¹², 8 in the district governor's office, 6 in the voivodeship office and 5 in the marshal's office. A significant number of respondents' responses in the

8 Hungarian body dealing with general administrative matters for citizens.

9 Waste Management of the Poznań Agglomeration in Poland.

10 Registry Office.

11 The Social Insurance Institution in Poland.

12 The Agricultural Social Insurance Fund in Poland.

case of online contact with the tax office and the city/municipal office may result, firstly, from more frequent contact with these institutions in general, and secondly, from the number of matters that can be fully settled in a given office via the Internet – e.g., submitting tax declarations, applying for an ID card, etc. Full personal contact was more frequent in the case of the city/municipal office (11 people), the district governor's office (8 people) and the tax office (7 people). Institutions where the respondents experienced mixed contact more often were: the city/municipal office (20 people), the tax office (11 people), the district governor's office (9 people) and the ZUS / KRUS (8 people).

In the case of contact made entirely via the Internet, the respondents used: a trusted profile¹³ (47 indications), ePUAP¹⁴, SZUF¹⁵ or Official electronic central portal of public administration (Czech POINT)¹⁶ (27 indications), E-Önkormányzat portál¹⁷ (10 indications) and mailbox¹⁸ (17 indications).

13 Provision of art. 3 point 14 of the Act of 17th of February 2005 on Informatization of the Activities of Entities Performing Public Tasks (Consolidated text, Journal of Laws 2021, item 2070, as am., further: u.i.d.p.), stipulates that the expression "trusted profile" shall be understood as an electronic identification means that contains a set of data identifying and describing a natural person who has full or limited legal capacity, and that has been issued in the manner referred to in Article 20c or Article 20cb.

14 Electronic Platform of Public Administration Services, further: ePUAP. According to art. 3 point 13 u.i.d.p, the ePUAP system is an ICT system "in which public institutions make services available through a single access point on the Internet".

15 The changes adopted by the Hungarian legislator in 2015 allowed the introduction of a matrix of 'regulated electronic administration services' (regulated e-administration services) into the system, which is a kind of 'toolkit' (service kits) aimed at ensuring the electronicisation of public administration. One of the elements included in the "toolkit" is the "space for personalised case handling" (SZÜF), where more than 680 types of administrative cases can be handled by all individuals and legal entities that have a "customer gateway". In 2019, the Hungarian legislator has obliged all legal persons, as well as those representing the legal profession, to use the electronic communication system through the so-called company gateway (Horvat et al., 2021, p. 141).

16 Czech POINT is a project aimed at reducing excessive bureaucracy in the relationship between citizens and public administration. Czech POINT serves as an assisted point of public administration, enabling communication with the state through one place so that "data not the citizen" circulates. The aim of the Czech POINT project is to create a guaranteed service for communication with the state through one universal place, where it is possible to obtain and verify data from public and non-public information systems of public administration, to officially verify documents and deeds, to convert written documents into electronic form and vice versa, to obtain information about the course of administrative proceedings in relation to the citizen and to file a submission for the initiation of proceedings of administrative authorities (<<https://www.czechpoint.cz/public/>>, accessed 20 June 2022).

17 Hungarian e-municipality portal. The e-municipal portal is the place for electronic local government administration in the ASP system of local government. Municipalities using the Local Government ASP system provide their customers – both natural persons and legal entities – with the services necessary for their customers to administer their affairs electronically via the eMunicipal portal. General rules on electronic administration and trust services are obliged to provide electronic administration pursuant to Section 9 (1) of Act CCXXII of 2015: the person acting as a customer as the customer, state, local government, (a) a public body, a government, a public administration or a budgetary body, public prosecutor, notary, public body, other administrative authorities not covered by sub-paragraphs (a) to (a), and the legal representative of the client (<https://ohp-20.asp.lgov.hu/gyik_ki_veheti_igenybe>, accessed 20 June 2022).

18 On the 1 July 2009, in the Czech Republic, the Information System for Data Boxes (ISDS) was launched on the basis of Act No. 300/2008 Coll., on Electronic Acts and Authorised Conversion of Documents. The Czech legislator has obliged all public authorities, including administrative bodies, to use their so-called "data boxes". If any of the addressees (parties to the proceedings) have a data box set up, it is the duty of the authority to deliver any pleadings only electronically. Most legal persons and individual members of certain professions, such as lawyers, are obliged to set up and use data boxes. In addition, non-business individuals may also voluntarily apply to set up a data box.

On the 1 August 2016 Slovak data boxes for receiving documents were created for all natural persons and corporate bodies residing in Slovakia and divisions registered in the commercial

In analysing the distribution of respondents' answers concerning the trusted profile, it can be observed that if someone already knew this solution, they usually used it – 54 respondents knew and used it, compared to 13 respondents who knew and did not use it. Only 1 person did not know this tool. The distribution of answers looks similar in the case of the ePUAP, SZUF and Czech POINT platforms, 37 respondents knew and used this solution, and 22 respondents knew and did not use it. In the case of e-services: E-Önkormányzat portal, podatki.gov.pl¹⁹, PUE ZUS²⁰, empathy²¹, there is also an advantage between those who know and use (32 persons) and those who know and do not use (26 persons), but it is small and amounts to 6 indications. In the case of securing a qualified signature and e-IDcard, the trend is the opposite, as more people know and do not use these solutions. In the case of the qualified signature, 15 people know and use it compared to 43 who know and do not use it; in the case of the e-evidence, 10 people know and use and 46 people know and do not use it. In case of not knowing particular solutions, the respondents indicated more often ePUAP, SZUF and Czech POINT (9 persons), secure qualified signature (9 persons), e-services (7 persons) and e-evidence (11 persons). However, indications of not knowing the tools were at a low level.

The respondents most often indicated "taxes and fees" (44 responses) and "civic matters" (39 responses) as those matters which required contact with a public institution in the last 1.5 years. Administrative matters with the smallest number of indications, which may be specific and are handled occasionally, include – "environmental protection" (1 indication), 2 indications were obtained for cases related to "regional development", "protection of consumer rights", and "security and crisis management".

Analysing the distribution of responses in each category of matters, the most numerous indications of handling matters entirely via the Internet concerned: "taxes and fees" (29 indications), health and social affairs (9 indications), real estate, housing and commercial premises (4 indications), business activities (5 indications), access to public information (4 indications).

Most respondents indicated that they had already used particular e-government tools before the pandemic. The pandemic became a mobilising factor to use, particularly the trusted profile (for 14 people) and the ePUAP, SZUF, Czech POINT or electronic mailbox (for 8 people).

register on the website www.slovensko.sk. The data boxes are created by the Government Office of the Slovak Republic automatically and free of charge to all citizens over 18 years. The box is activated automatically during the first log-in of an operator to the e-portal. When activated the data box can be used for receiving documents from public authorities electronically. The obligation to use data boxes relates only to corporate bodies and divisions; for natural persons (i.e. self-employed persons) it is voluntary (<https://www.slovensko.sk/sk/agendy/agenda/_elektronicke-schranky-zakon1/>, accessed 20 June 2022).

19 The tax platform of electronic services in Poland.

20 The Platform of Electronic Services of the Social Insurance Institution in Poland (PUE ZUS) is a tool that facilitates access to services provided by the Social Insurance Institution in Poland.

21 The Empathy system allows to submit applications via the Internet, among others for: granting social assistance, family allowance and supplements, childcare allowance, care allowance.

During the COVID-19 pandemic, respondents had the opportunity to use the existing e-infrastructure. The pandemic situation, particularly the lockdown and the related temporary limitation of the possibility to enter offices and personally contact an official²², was quite a test for public institutions (Hoffman and Balázs, 2021, p. 113; Horvat et al., 2021, pp. 150–152; Szewczyk, 2020, p. 19). Probably in many cases, the choice of handling their affairs with the help of e-government tools became necessary for some citizens, mobilising them to set up, for example, a trusted profile or mailbox.

3 IDI interview

In order to deepen the knowledge acquired during the implementation of the CAWI surveys, it was decided to develop selected issues in the qualitative research, consisting in conducting individual in-depth interviews (IDI)²³. The respondents (20 adults – 5 from each country from the Visegrad Group countries) were selected for the qualitative research in a targeted manner by giving a positive answer to the initial - filtering question, *“Have you dealt with the Office in the last 2 years?”*.

3.1 Respondents' experiences in contact with public administration bodies

Respondents described the difficulties arising in connection with the handling of their case, for example:

- the need for a personal visit to the office,
- long terms for online appointment appointments,
- the necessity to obtain a number traditionally and the related waiting in the long queue,
- no possibility to settle the matter online,
- the need to fill in official forms by hand.

Apart from official matters, the simplicity and ease of dealing with other matters of everyday life is increasingly often experienced, especially through: the possibility of arranging them online, computer-filled forms, products and services delivered to the client's door without leaving home and collecting a number, in order to wait for the queue. Such experiences taken from the commercial market change the standards of service through the prism of which the client defines his expectations in relation to services provided by

22 In accordance with Article 15zzzzn of the Act of 2nd of March 2020 on special solutions related to prevention, counteraction and eradication of COVID-19, other infectious diseases and crisis situations caused by them (Journal of Laws 2021, item 2095 as am.); Act No. 67/2020 Coll. on certain emergency measures in finance relations related with the spread of the dangerous contagious human disease COVID-19; Act XII of 2020 on the containment of coronavirus; resolution of the Government of the Czech Republic of 15th of March 2020 No. 241 on the adoption of a crisis measure.

23 In the IDI, the respondent has the opportunity to express himself unlimitedly, to answer all the questions asked with his own words, without having to limit himself to ready-made proposals for answers in the cafeteria of a closed question, as is the case when filling in the questionnaire (Gudkova, 2012, p. 113; Kaczmarek, Olejnik, and Springer, 2016, p 113).

public institutions. The expectation of a quick course of the procedure, which will be carried out remotely with the use of new technologies, seems to be justified in the period of technological and digital acceleration that we have recently experienced (Gramlich, 2010, p. 288; Taman, 2020, p. 693, Smítka and Borkovcová, 2019, p. 1481)²⁴. It is worth noting that nowadays, generations of people are entering adulthood for whom the Internet is a natural environment for functioning, and personal visits to settle the matter, queues at the office or handwritten filling in of forms are a kind of archaism.

In the opinion of the majority of respondents, the way a specific public administration body handles a given case translates into the way such an institution is perceived and makes positive or negative assessments about its functioning: *"I think so. Tax offices always have a patch for very basic procedures where the slightest mistake is unforgivable."* (Respondent No. 5).

3.2 Strengths and weaknesses of public administration

Summarising the statements of the respondents regarding the strengths and weaknesses of the institutions in which they dealt with their affairs and the handling of handled cases, several dominant factors can be distinguished:

²⁴ 2030 Digital Transformation Strategy for Slovakia, At <<https://www.mirri.gov.sk/wp-content/uploads/2019/10/SDT-English-Version-FINAL.pdf>>, accessed 24 June 2022.

Table 1. Strengths and weaknesses of public administration and handling matters handled therein, in the opinion of respondents

S T R E N G T H S	simplification of procedures through the possibility of settling the matter online (without leaving your home)	W E A K N E S S E S	the need to submit and collect documents in person
	assistance from officials and their explanations		queues
	speed of settling the matter		difficult to fill in, and illegible forms
	available procedure instructions (FAQ)		unpleasant service - impression of mass market service
	developing electronisation and computerisation of the process		slowness of action and a long time to get things done
	substantive correctness of issued decisions		sense of scattered responsibility, excessive procedures
	openness to new technologies		complicated procedure
	better communication, clear descriptions of procedures		requirements for individual certificates / documents (the so-called »paperwork«)
	providing online forms on websites		high rotation of employees in service positions
	the possibility of booking a visit in the form of online		different interpretations of the law and procedures by officials
			office hours
			lack of communication between public administration bodies administrations to exchange information
			no digital security

Source: own study based on the respondents' answers in the qualitative research.

Respondents were asked to assess the work of officials, in particular the working tools available to officials and the general conditions of their work.

Three out of 17 respondents said that conditions and tools are rather sufficient. However, in their statements, respondents mentioned possible ways to improve the situation of officials and the quality of their work. Six people explicitly mentioned insufficient working conditions. From the statements of the respondents, a catalogue of areas for improvement was created:

- low salaries,
- high workload (high number of cases handled),
- old hardware and software,
- shortage of equipment,
- lack of training to improve soft skills.

Most of the areas for improvement mentioned by the respondents lie with the managers of offices and the need to undertake institutional changes, not necessarily individual ones implemented by the officials. Obviously, depending on whether we are dealing with self-government or government administration, a lot will depend on the system of financing the activities of particular offices (whether those funds come from their budgets or the State Budget). Eliminating the problems indicated by the respondents requires a decision of the management in order to implement structural, organisational and technical changes in public administration units (Peters, 2009, pp. 23–25).

3.3 Factors facilitating authority-customer contact

On the basis of the respondents' statements concerning the actions taken by the public administration to facilitate the parties in administrative proceedings with the administrative authorities, the following table formulates a list of "factors facilitating contact".

Table 2. Factors facilitating residents' contact with the office

Factors facilitating contact	Examples of concrete solutions identified by respondents	
1. Implementation of procedures	"Contact with the office online", "possibility to contact the office by email or via e-domain", "change of office hours to the afternoon"	"Increasing the possibility to contact a specific, responsible employee by phone"
2. Personnel factors	Increase in staff numbers	Customer service training
3. Providing access to information	"Mobile information points of offices"	"An accessible helpline that can actually be called".
4. Use plain language	"It would certainly be a big help to use simple language in communication with the inhabitants. Having a comparison between a municipality office in a small town and a voivodeship office in Poznań, I could see that communication is much simpler and more accessible in a small town, where the official communicates with the customer in a simpler and more accessible way and, most importantly, has more time to serve him, so contact with the office is much more satisfying."	"Delaying of a person helping to fill in documents"

Source: own elaboration based on respondents' answers in the qualitative survey.

Particularly noteworthy is an issue that received little attention in the CAWI survey related to the use of plain language²⁵ in public administration. In the current public discourse, there is a lot of focus on using plain language, which

25 <<https://www.gov.pl/web/sluzbacywilna/prosty-jezyk>>, accessed 22 June 2022.

would change the level of understanding of official letters, instructions and forms (Sobczak, 2018; Żach-Kubicka, 2019; Vinnai, 2019, p. 102; Dvořáková, 2021, p. 8; Schöpflin, 2009).

Simple communication is when accessible language is used, and the principles of plain language are applied. They can significantly improve the quality of documents produced by officials, and such communication benefits both the sender and the recipient. Simple language works well both in communication with the recipients of public services (citizens or foreigners) and with people who hold the highest positions in the state²⁶.

The conviction that a sign of professionalism and high competence are letters written in very advanced and specialised [technocratic (Krężotek, 2012, pp. 63–64; McKenna and Graham, 2000, p. 220)] language and accompanied by appropriate legal footnotes and quotations from laws and codes is a conviction that is not reflected in the needs of participants in administrative proceedings and other clients dealing with matters in offices²⁷. Participants of the proceedings, regardless of their level of education and age, need simple and undisguised communication, particularly in administrative acts (administrative decisions or decisions), which grant rights and, above all, impose a certain type of administrative obligation.

3.4 Simplifying the use of public administrations

As part of the thematic block “simplifying matters in the office”, respondents were obliged to interpret the term: “*a matter that is easy to settle in the office*”.

Graphic 1. Features of a simple matter to be dealt with, mentioned by the respondents



Source: own elaboration based on respondents' answers in the qualitative survey.

²⁶ This issue is also recognised by administrative courts in Poland. In the judgment of 16th of September 2016, II FSK 2216/14 (LEX No. 2108987), The Supreme Administrative Court raised the issue of misunderstanding the content of the letter as a prerequisite for reinstating the time limit for filing objections to enforcement proceedings.

²⁷ According to the experience of the 2nd Tax Office in Zielona Góra (Poland), the collection of overdue payments has significantly improved following the introduction of a new format of tax notices (<<https://podatki.gazetaprawna.pl/artykuly/1402878,podatki-prosty-jezyk-pism-powprawia-sciagnalnosc.html>>, accessed 22 June 2022)

Most respondents knew the meaning of the term “simplification of administrative procedure”. Respondents were able to point to specific features of a simplified procedure and list actions that lead to simplification.

“Simplification of the procedure” in the descriptions of the respondents is a process leading to simplification of the procedure, its de-formalisation, optimisation, i.e., settling matters that will become uncomplicated, and their procedure will be faster and will take place remotely.

The simplification of the procedure, in the opinion of the respondents, is encapsulated in a few words:



Table 3. Categories of factors which, in the opinion of respondents, influence the simplification of the procedure

List of factors	Quotes from respondents			
Factor 1. Forms	Fewer forms, simpler to fill in		Interactive applications	
Factor 2: Service	Changing the way officials work	The internal organisation of the administration, which is aware of the procedures and follows them by properly organising the whole process.	Reducing queues	
			Opening of offices during hours when it would be possible for full-time staff to use the services of the office.	
Factor 3. Form of contact	Email contact with the office	Enabling contact with officials by email		
Factor 4. Regulations, procedures	Application of the simplified handling of cases under the CAP.	Opening electronic databases from which an official could directly attach evidence from a previous case concerning the same person.	Possibility of electronic publication of an administrative act (in the case of multiple parties to proceedings). Extension of the scope of the e-PUAP system.	More cases should be dealt with on the basis of statements made by the applicant (the parties to the proceedings).
	Digitisation of files, possibility to issue certificates/extracts on the spot in the form of print-outs from the IT system, modelled on the court information portal.	Improving the flow of information within the office so that it is not the customer who runs between windows and departments but officials who quickly get to the necessary information they already have.		

Source: own elaboration based on respondents' answers in the qualitative survey.

Respondents were asked to identify specific issues that they felt should be simplified freely. After analysing the individual responses of the respondents, 3 criteria emerged which were used by the respondents:

- The criterion of being goal-oriented,
- Urgency criterion,
- Criterion relating to the subject matter.

Table 4. Things that respondents think should be simplified

Criterion of target orientation
<ul style="list-style-type: none">• obtaining certificate extracts from the land register
Urgency criterion
<ul style="list-style-type: none">• matters requiring a quick solution (issuing important documents, certificates)
Criterion relating to the subject matter
<ul style="list-style-type: none">• civil affairs (vehicle registration documents, civil status records, identity cards, passports),• tax matters,• building matters,• social and community matters,• legalisation of residence of foreigners,• real estate matters,• matters related to economic activity,• matters related to municipal management.

Source: own elaboration based on respondents' answers in the qualitative survey.

3.5 E-administration

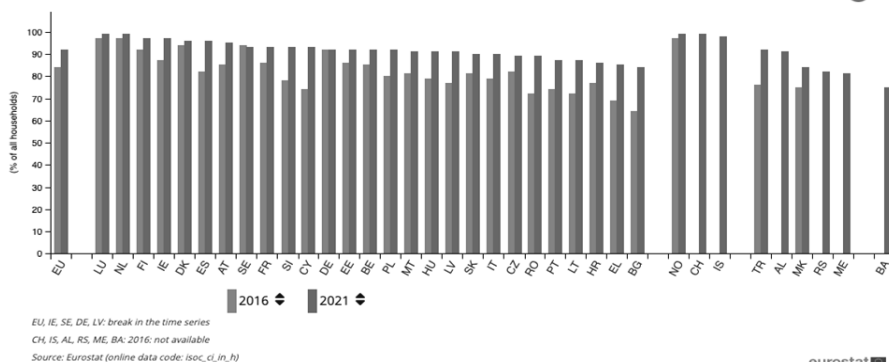
In the case of the respondents in the qualitative study, all of them were able to use the Internet on a daily basis, generally frequently, on different devices: computers, laptops, tablets, mobile phones and in different professional and private situations.

Eurostat's report entitled "Internet access of households, 2016 and 2021"²⁸, shows that among the countries of the Visegrad Group, Poland leads the way in terms of household Internet access (92 pp.). It is followed by Hungary (91 pp.), Slovakia (90 pp.) and the Czech Republic (89 pp.). Poland and Hungary scored the biggest upward trend in the period 2016-2021 – by 12 pp. The level of this indicator varied depending on the type of household, class and degree of urbanisation of the place of residence and area of the Visegrad group country. House-

²⁸ <https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Digital_economy_and_society_statistics_-_households_and_individuals&oldid=576887>, accessed 21 June 2022.

holds in areas with a high degree of urbanisation and large cities were more likely to have access to the Internet at home than households in other areas.

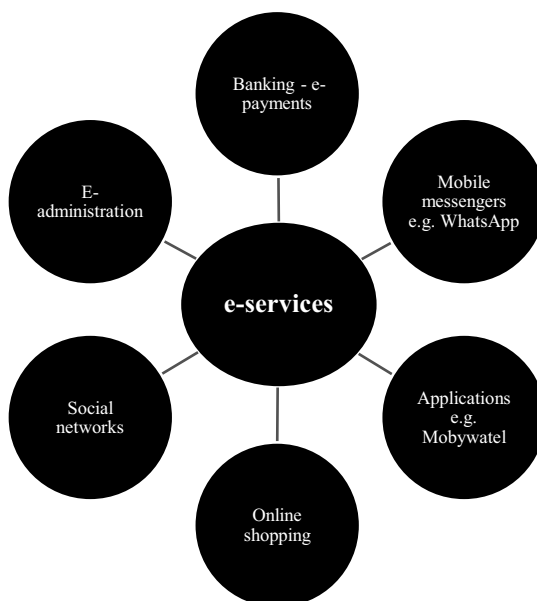
Internet access of households, 2016 and 2021



Source: Eurostat

Therefore, the fact that among the 20 IDI respondents, all of them had access to the Internet has a statistical justification in quantitative research.

Graphic 2. Types of e-services used by respondents on a daily basis



Source: own elaboration based on respondents' answers in the qualitative survey.

The concept of e-government was familiar to most respondents (19 out of 20 people), and they were able to define it. Often the definitions referred to associations and common-sense attempts to explain the meaning of the term,

e.g. *"It is an e-government system for handling official matters and communicating with customers."* (Respondent No. 9)

In response to the next question, the respondents stated that the operation of e-government affects the handling of official matters; all agreed on the positive impact of e-government on their handling of matters at the office:

1) *"I am convinced that e-administration could do a lot of good. It would certainly speed up the operation of offices, the waiting time for cases would not be so long."* (Respondent No. 5)

2) *"It certainly speeds up certain processes, which saves a lot of time, especially for people working during the hours when the office is open, and they do not have the opportunity to come to the office in person".* (Respondent No. 8)

Graphic 3. Types of issues which, according to the respondents, would be most effective in dealing with e-government



Source: own elaboration based on respondents' answers in a qualitative study.

The matters which the respondents settle with the use of the Trusted Profile, data box or client gate are diverse:

- applying for an IDcard,
- access to information about current state of a case,
- applying for social allowances,
- filing a tax return in the tax portal,
- applying for registration of economic activity.

In their statements, the two respondents who expressed their positive attitude towards simplifying the procedure and e-government highlighted some issues that may contribute to civic exclusion among certain types of customers dealing with their affairs. These are: experiencing digital exclusion and having a low level of digital skills and knowledge of Internet use. In particular, older people²⁹ are more exposed to a digital exclusion experience. The re-

²⁹ In 2019, among seniors aged 65–74 asked about their computer use in the past 3 months, 34.1% confirmed that they had used a computer during this time (i.e., 2.4 percentage points

search shows that older people are most often deprived of Internet access or have low computer and Internet skills. Paradoxically, e-government, which would be additionally connected with minimising the possibility of settling issues in a fixed office, would be connected with a significant hindrance and deepening of digital exclusion, also in the civic dimension. It is worth noting that, on the issue of digital exclusion, the Czech Constitutional Tribunal took a position, stating in its judgment of 21 July 2011 that “in today’s global communication society, the objective impossibility of access to the Internet cannot be considered at all. The complainant’s assertion that he ‘does not have the internet’ does not in itself imply an objective impossibility of fulfilling the obligation imposed by law. Again, the fact that compliance with a statutory obligation requires, for example, the payment for an internet service cannot be characterised as unconstitutional, since the performance of certain activities always entails certain costs, which must be taken into account. The exception would be if such costs were liquidating or disproportionately high”³⁰.

3.6 Public administration during the COVID-19 pandemic

Respondents’ experiences of the impact of the pandemic on changing the way they do official business were varied. For some respondents, the pandemic situation did not affect the quality of their errands, as even before the pandemic, they had handled all their errands, which were possible to handle, online. One respondent pointed out that they did not have to do any errands in the office when the pandemic started. they did them before the pandemic and 1.5 years after the pandemic started. During this time, adequate and well-functioning solutions were found in many areas of functioning to the changing social reality in which offices overcame the initial impasse in functioning. One respondent stated that the pandemic was a motivating factor in starting to use e-government. Some respondents pointed to the negative impact of the pandemic on time taken to handle cases (delays), their protraction and the inaction of authorities.

In their statements, respondents drew attention to the negative impact of the pandemic on the work of public administration during the first months of its duration.

Respondents perceived and experienced difficulties in:

more than in 2018). People of this age are increasingly likely to use computers regularly (i.e., at least once a week), but still the percentage of regular users in the analysed age range was lower compared to younger people (Kamińska-Gawryluk, 2021, p. 17; Lacová et al.; 2022, p. 150). The authors of the report “*Wykluczenie cyfrowe podczas pandemii. Dostęp oraz korzystanie z Internetu i komputera w wybranych grupach społecznych*” state that digital exclusion in Poland (not only during the pandemic) has the face of seniors – “in 2019, 3.63 million people aged 55–74 have never used the Internet, such people represent 80.4% of all nonusers. 3.74 million people aged 55–74 have never used a computer, such people account for 78.1% of all non-users” (<<http://www.federacja-konsumentow.org.pl/s,1479,wykluczenie-cyfrowe-podczas-pan-demii.html>>, accessed 23 June 2022). A similar phenomenon can be encountered in Slovakia (<<https://spectator.sme.sk/c/20050628/slovakia-is-digitally-divided.html>>, accessed 22 June 2022) and in Czech Republic (Lupač and Sládek, 2008, <<https://cyberpsychology.eu/article/view/4210/3251>>, accessed 22 June 2022).

30 Judgment of the Czech Constitutional Tribunal of 21 July 2011, III. ÚS 1513/11.

- appointment of office visits,
- additional restrictions on making an appointment for a fixed visit,
- the submission of documents (letter boxes located in the halls of public offices),
- delays in dealing with cases.

Respondents, in the first weeks-months of the pandemic, observed a lack of preparedness of offices to work online to issue decisions remotely, as the handling of cases was based on paper documents that were not digitised (Horvat et al., 2021, pp. 150–151).

Respondent No. 7 pointed out a positive change in the performance of the offices as the pandemic progressed. According to the respondent, the authorities started to respond adequately to the changing situation. Offices can be described in this case as “learning” institutions which try to improve their functioning even in crisis situations where the time to adapt and change is very limited (Valenza et al., 2022, pp. 67–69).

One respondent pointed out that the pandemic had become a catalyst in terms of increased use of remote communication tools that were already available before the pandemic, e.g., email and telephone contact.

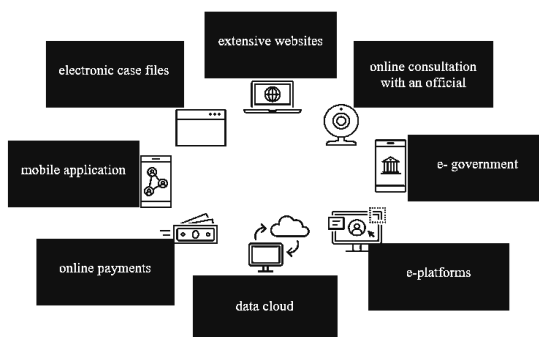
Respondents who noticed facilitations introduced by the public administration pointed out to:

- improvement of email and telephone communication,
- introducing an appointment calendar and the possibility of booking an appointment online,
- intensifying the electronisation of public administration.

Respondent’s statements regarding the introduction of solutions in offices to make it easier to deal with cases during the pandemic tended to be dominated by proposals for e-solutions, e.g., the data cloud (on official computers) and e-government platforms.

Based on the suggestions made by the respondents, the proposed solutions have been prepared and can be seen in the graphic below.

Graphic 4. Solutions to improve office operations during a pandemic



Source: own study based on the respondents' answers in the qualitative research³¹.

4 Summary

The issue of simplifying and electronising administrative proceedings is one of the most pressing social issues in the Visegrad Group countries (Skulová et al. 2019, pp. 44–50, Jendroška, 2003, pp. 28–31), which are discernible in the sociological research conducted on a survey group of people from the Visegrad countries (in a CAWI survey – 30 residents from each country and in an IDI interview – 5 residents from each country), and manifests itself in four assumptions:

- 1) legal regulations should be more flexible and understandable;
- 2) the level of procedural formalism, relating, e.g., to a smaller number of required documents or the possibility of submitting declarations binding for the authority, should be reduced and adjusted to the subject matter of the case;
- 3) public administration bodies should focus on the use of the simplest solutions, including e-administration solutions aimed at settling the matter within a reasonable time;
- 4) the entity participating in the procedure should be more aware of its rights, including the possibility of using simplified procedural measures, e.g., simple and transparent official forms, which would have instructions for correct filling in.

Despite the fact that in each of the Visegrad Group countries, national legislators have adopted slightly different solutions in terms of simplification and electronisation of administrative proceedings, the conducted research shows that the existing problems, which affect public administration bodies on the one hand, and the participants of the proceedings on the other, are the same. The above leads to the conclusion that a more effective solution to the existing problems (especially the most currently “burning” ones) would be the

³¹ The proposals have been developed using the following studies as an aid: Kučera and Kyncl, 2010, pp. 107–108; Apter, 2022, p. 280; Sabri, 2016, pp. 49–54; Kim et al., 2022, pp. 365–366.

adoption of solutions at a supra-national level and an attempt to implement them into national legal orders.

The analysis of the presented issue concludes that it is not yet possible to speak of an advanced development for administrative procedures in the Visegrad countries. The current legal acts pertaining to this issue require further modernisation, which manifests itself, for example, in numerous new amendments undertaken by national legislators. The delay of public administration in the use of solutions simplifying administrative procedures is mainly due to unclear regulations, and the significant financial outlays needed (e.g., modernising the IT infrastructure of public administration offices) (Frumarová, 2022, p. 140). It is worth noting that some of the solutions related to the electrification of administrative proceedings already existed in the Visegrad countries long before the COVID-19 pandemic (databox in the Czech Republic since 2009, in Slovakia since 2016, ePUAP in Poland since 2005, and SZUF in Hungary since 2015). Only the outbreak of the COVID-19 pandemic and the introduction of numerous restrictions (change in the organisation of offices, rotation work of officials, and the inability to establish personal contact with the participants of the procedure) in the Visegrad countries, was its 'booster' resulting in significant use of electronic tools. On the other hand, the outbreak of the pandemic has very much curtailed innovation and the willingness to introduce new 21st century technologies in public administration that would correspond to the current technological level, e.g. artificial intelligence or data clouds (Vogl et al., 2020, p. 950; Leśniak, 2022). It should be justified by the lack of common knowledge on this subject and the imperfection of the existing, less advanced technological solutions currently used by public administration bodies, but require further modernisation to meet the current standards. The current state of affairs in all the countries of the Visegrad Group is visible, for example, in the results of The Digital Economy and Society Index (DESI) ranking, published by the European Commission, where the Czech Republic is ranked 25, Poland – 28, Slovakia – 29, and Hungary – 32 (Bećcik, 2022).

The functioning of e-government in the Visegrad countries in many administrative matters is still limited to the provision of information and the possibility to download website forms or to handle only selected administrative matters via IT platforms (ePUAP, SZUF, Czech POINT). The issue of the lack of IT competencies of officials and the users themselves (participants in the administrative procedure) still arises. In addition, there is also the problem of technological exclusion resulting from the advanced age and the lack of access to electronic devices and the Internet. However, as the excerpt from the Czech Constitutional Tribunal's ruling quoted in the study shows, the significant development of internet accessibility in households does not allow the conclusion that the imposition of certain public law obligations on an individual requiring only electronic solutions, e.g. making payments electronically to public entities, can be considered unconstitutional.

It is worth noting that the potential of the digital skills of the inhabitants of the Visegrad Group is noticeable and manifests itself, for example, in the use

of various types of applications for dealing with everyday matters, e.g., banking applications for making bank transfers or making purchases.

Effective e-government is one of the pillars of simplifying and electronisation of administrative proceedings. At the same time, thanks to the development of e-administration, there is a noticeable improvement in the democratisation process of the Visegrad Group countries, which will lead in the future to building a solid Central European information society. In order for the above goal to be achieved, it should be remembered that the initiated process of simplifying and electronising administrative proceedings must always take the form of comprehensive legal solutions that will allow for effective and efficient operation of public administration bodies and, on the other hand for individuals to exercise their fundamental rights³².

³² Document entitled "Good Administration through a Better System of Administrative Procedures" has been produced by OECD with financial assistance of the EU <https://www.sigmaweb.org/publications/Comments_LawAdminProceduresKosovo_JN_Oct2012_Eng%20%20.pdf>, accessed 25 June 2022.

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Amalgamation and Local Finance: A Case Study of Ukraine

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ABSTRACT

Purpose: The article aims to measure the impact of the voluntary amalgamation approach applied in Ukraine in the course of the decentralization reforms undertaken over a period of five years, and assess how much these reforms have been successful in improving the local government fiscal situation. Ukraine began a long-delayed decentralization process in 2015 through amalgamation based on a voluntary approach, with an emphasis on improving the fiscal resources of the amalgamated units. The decentralization reform was based on three pillars: (1) voluntary amalgamation of the territorial units, (2) enhanced financial resources through own source revenues and infrastructure grants, and (3) utilization of inter-municipal cooperation to support improved service delivery.

Methodology: A time series of fiscal data from amalgamated territorial communities in selected regions of Ukraine have been analysed to measure the impact of the amalgamation policy on the amalgamated territorial units.

Findings: The fiscal improvements anticipated by the amalgamated territorial units have not been demonstrated by the statistical data analysis and no significant improvement in local government finances appears to have been realized through the application of a voluntary merging ap-

proach. There have been significant regional and urban/rural variations based on the population segments and access to financial resources.

Academic contribution to the field: While there has been considerable research on the impact of merging or amalgamating local governments, there has been very little, if any, on the voluntary approach to amalgamation.

The study seeks to address this problem and present evidence of the advantage of utilizing a voluntary over a mandatory approach to amalgamation.

Significance: The study provides a unique opportunity to measure the impact of amalgamation process in Ukraine over a five-year period based on the voluntary approach to amalgamation and determine how much this approach and the accompanying policies have been successful in improving the local government fiscal situation.

Keywords: amalgamated territorial communities, fiscal decentralization, voluntary amalgamation, fiscal equalization

JEL: H70

1 Introduction

Ukraine began a long-delayed decentralization process in 2015 with amalgamation based on a voluntary approach, as well as an emphasis on improving the fiscal resources of the newly-established territorial units. In 2014, following the Revolution of Dignity, the political will for decentralization and local government reform materialized as one of the primary policy decisions of the newly reformed Ukrainian government. The policies chosen were to reduce the over 10,000 small communities into approximately 1,500 amalgamated territorial communities (ATC) by voluntary amalgamation, increase the fiscal resources through financial incentives and targeted infrastructure grants, and support the use of inter-municipal cooperation to promote service delivery and economic efficiency.

The key features of this reform rested on several policy pillars. First, the restructuring of the administrative-territorial composition to reduce the large number of local government units. Second, applying a bottom-up voluntary approach to amalgamation of these units through a defined criteria and local decision-making and negotiation. Third, some reassignment of functions, particularly in the health, education and social services areas. Fourth, the promotion of inter-municipal cooperation as a means to enhance the service delivery through economies of scale and fiscal resources to overcome capacity limitations. And, fifth, greatly increasing the fiscal resources through more own-source revenues, primarily the personal income tax, property tax, and other taxes and fees along with grants to promote infrastructure improvements in the ATCs.

This paper focuses on the neglected research areas of researching the impact of the amalgamation on the revenues of the merged units and those that voluntarily merged in 2016 in Ukraine. The analysis presents the changes in

the fiscal resources based on per capita and selected population segments within these voluntary merged units. The purpose is to test the hypothesis that amalgamation of local governments into larger units produce greater fiscal resources. There is practically no research as identified by Tavares (2018) that addresses the voluntary amalgamation approach and even the revenue side of the fiscal equation.

This research paper intends to shed light on the most anticipated result of the decentralization reform in Ukraine: the revenue impacts on voluntary amalgamated units over a period of five years based on the population classifications and rural/urban categories. This is to test the proposition that larger population units would have increased fiscal resources as a result of the amalgamation and these correlate to different population segments of the units.

The paper is structured into the following sections. In the introduction we present the general context of Ukrainian decentralization reform. We then deliver a short literature review in order to present recent studies on decentralization emphasizing developments in Ukrainian local government sector. The third section presents the methodology developed by the authors to produce some meaningful conclusions on trends in ATC regarding revenue endowment and budget spending. The fourth section presents the main results of the study. This is followed by a fifth section that discusses the results. In the sixth section the authors' vision of future development and possible policies which can be considered for further research.

2 Literature Review

Amalgamation of local government units has been one of the main political and policy options open to sub-national governments to improve locally provided services and enhance their fiscal resources. The large and significant amount of research addressing amalgamation for the various reasons and purposes has been well documented by Tavares (2018).

There have been a substantial number of researches focused on studying the impact of amalgamation of local governments on the efficiency and effectiveness of service delivery, municipal expenditure levels and fiscal sustainability. These studies have analysed several variations of the amalgamation process, including the mandatory and voluntary approaches. The studies have concentrated primarily on the European countries as this is where the largest number of amalgamations have occurred and the data and analytical capacity has been more pronounced for this research purpose.

While the efforts to implement decentralization and amalgamate the multitude of local government units were long delayed in Ukraine, the research and reports supporting these changes began at an early stage. As early as 1995, in a paper by Wright (1995), the outlines of the final local government reform policies were formed. This included the need to reduce the number of local government units, the use of inter-municipal cooperation, and enhanced local government own source revenues. Many Ukrainian students also formu-

lated similar proposals considering that the state of the public administration sector was excessively centralized over the past decade.

The decentralization process that started in 2015 in Ukraine launched a boom in decentralization studies. More recent studies have addressed the aggregate levels of fiscal resources and the effects of the changes from the amalgamation and local revenues (Hamaniuk and Palchuk, 2020; Newmaier et al., 2019; Romanova and Umland, 2019; Solodkyy et al., 2020).

Some differences in the findings of these studies became apparent. The research by Hamaniuk and Palchuk (2020) indicated that the smallest units with population under 5,000 had seen a higher increase in the per capita own source revenues than the larger ones. However, other research conducted under the Ukraine-Local Empowerment, Accountability and Development Programme (U-LEAD) project that sampled 15 amalgamated units of various population size indicated that the larger the amalgamated unit the greater the increase in the revenues (Zubenko et al., 2020). These studies were of a limited duration and number of units to provide a definitive analysis of the situation across all amalgamated units.

The latest and more definitive analysis of the success of the local government reform program that examined the voluntary versus mandatory impacts, the use of inter-municipal cooperation and the relationship of population size to revenues is provided by Wright and Slukhai (2021). This study indicated that the voluntary approach applied in Ukraine was not very successful and resulted in the use of the forced amalgamation of the local government units in 2020. It also concluded that the use of inter-municipal cooperation did not reach a critical mass across the regions to significantly impact the delivery of services. And, finally, the study addressed the fiscal resources changes based on the data for the ATCs with different population segments.

Ukrainian researchers on the ATC finances pointed out some flaws in the current approach associated with ignoring the fiscal sustainability criteria that might foster horizontal inequality, increase the gap between resources and expenditure needs and lead to stagnation of most small ATCs which appeared to remain non-sustainable after amalgamation (Ivanova and Ivanov, 2020; Vozniak and Zherybylo, 2020). Other researchers indicated that low fiscal viability of ATCs is predetermined by the fact that ATCs were formed under administrative pressure, with no regard to economic and fiscal criteria (Baranivskiy, 2017). Some studies with a macro-approach concluded that the ATC size does not correlate with the ATCs' per capita own revenues (Liutyi and Spasiv, 2019). The empirical studies carried out with data of some specific ATCs and regional samples concluded that in course of amalgamation a significant increase in ATC own revenues was observed (Hrynchyshyn, 2019; Spasiv, 2019; Vartsaba, 2018; Zakhidna et al., 2020). Some researchers outlined policies to measure (Blazhivska and Petrovskiy, 2020) and improve the ATC fiscal viability through fostering amalgamation that would involve big cities of regional significance on order to form agglomerations with high economic potential which would lead to increase in total revenues of territorial units

(Patytska, 2019). One of the recent empirical studies (Klyuchnik et al., 2020) emphasized the lack of link between infrastructure development and supporting the ATCs' competitive advantages.

As can be seen from this review, the researchers of Ukrainian decentralization process do not observe unequivocal developments in the local government sector and this makes a topical further study of trends in this field more essential.

3 Methodology and Data

The methodology of the research undertaken for this paper relies on a multi-prong macro and micro analysis of the available data on the fiscal resources of the amalgamated units beginning from 2016. The prior research done by donor organizations, primarily the U-LEAD project (2018, 2019), focused on the national level aggregated data that examined the overall national level trends in revenues and expenditures. This high level of aggregated data did not reveal many of the underlying trends and differences across the amalgamated units.

On performing the initial data analysis of the aggregated data for one year (Wright and Slukhai, 2020), it was determined that a further and deeper analysis would reveal possible trends in ATC performance over the years from 2016 to 2020. On this second level of analysis, the intent was to see if the different population segments may have significant differences in the growth of their revenues on a per capita basis. Additionally, it was considered that there may be regional differences as well and between urban and rural amalgamated units. The urban ATCs were defined as those which have more than 50 per cent of urban population to total population, the rural ATCs, respectively, were those which have more than 50 per cent of rural population to total population.

Four regions representing the different areas of Ukraine were selected (Dnipro, Poltava, Khmelnytsky and Ternopil) to determine if there were differences across the regions. These regions belonged to those which were at the top of Ukrainian regions regarding the number of ATCs formed in 2016. All amalgamated units that were formed in 2016 were tracked in these four regions over five years. The number of amalgamated units that fit to the requirements amounted to 72, approximately 5 per cent of the total units amalgamated, and included only those ATCs which did not change their composition (as some of ATCs formed in 2016 later expanded through inclusion of some new communities). The regional distribution of the sample is provided in the Table 1.

Table 1. Regions and populations segments of the sample selected

Region	>15,000	15,000-10,000	10,000-5,000	<5,000	Total number of units
Ternopil	4	3	7	11	25
Dnipro	3	3	2	6	14
Poltava	1	2	2	6	11
Khmelnytsky	6	3	11	2	22
Total	14	11	22	25	72

Source: The data from the yearly fiscal reports prepared by U-LEAD and published on the Decentralization website (www.decentralization.gov.ua).

Sixty-five per cent of the amalgamated units from our total sample have population of 10,000 or less. Approximately 35 per cent of the merged units have less than 5,000 in population and are considered the least fiscally viable units.

While there was a substantial amount of fiscal data available, the analysis mostly focused on the trends in the revenues, capital expenditures and the donations (transfers) of the ATCs over these years.

To identify insights that corresponds to the results of decentralization reform we constructed Machine Learning models based on a dataset of 72 ATC performance metrics on the period from 2016 to 2020. The features that formed the dataset are:

1. Binary: urban dominating ATC.
2. Nominal: region (Ternopil, Poltava, Dnipro, Khmelnytsky).
3. Continuous:
 - per capita own revenues;
 - ATC area;
 - ATC population;
 - the share of basic donation in total revenues (as target);
 - the share of expenditures for the government bodies in general revenues (as target);
 - per capita capital expenditures and own revenues (as target).

The key machine learning methods that dominated in our approach were:

1. Gradient boosting, which is based on a step-by-step search for the optimal model. It starts with differential loss function initialization

$$F_0 = \arg \min_{\gamma} \sum_{i=1}^n L(y_i, F(x)) \quad [1]$$

and after each step improves model accuracy metrics by determination of the optimal multiplier to conduct the appropriate descent

$$F_m(x) = F_{m-1}(x) + \gamma_m h_m(x_i) [2].$$

2. Random Forrest and Extra Trees Regressor that combine decision tree framework and ensemble learning to randomly simulate decision trees and by mixing their results improve model accuracy metrics.

4 Research results

The revenue enhancements that would be made available to the ATCs were primarily greater collection effort for property taxes and other local taxes and fees. This was also to be enhanced by a grant fund that would be specifically targeted to the ATCs for infrastructure improvements. This State Fund of Regional Development would provide funds on a priority basis for regional development through competitive grants based on financial capacity of the units, cost-sharing of the projects and some social and economic considerations.

The amended Budget Code and Tax Code allowed for the ATCs to receive 60 per cent of the PIT, 5 per cent of the excise tax, 100 per cent of the small business tax, 100 per cent of CIT from the communal enterprises, 100 per cent of the property tax and 25 per cent of an ecological levy. These were intended, if effectively collected, to greatly increase the ATCs' local revenues.

The ATC own revenues (revenues excluding national government transfers) mostly consist of PIT and local taxes (including property tax) proceeds. As these types of revenue account for more than 80 per cent of revenues, it could be concluded that ATCs have quite low discretion over their own revenues because the tax base and tax rates for PIT and local levies are defined by the national legislation.

As is evident from Table 2, the local revenues did increase substantially in the early years of the merging process. However, since 2019 (when a drastic change in country's political landscape occurred that is associated with a newly-elected President Zelenskyii and forming a mono-coalition by his party in the parliament) a decrease is observed due to slowdown of the economy and re-shifting public revenues in favor of the central government. These data are highly aggregated across all the local government units and tend to show a slowing down of revenues in the later years.

Table 2. Total revenues of Ukrainian local governments including transfers, 2014-2020

	2014	2015	2016	2017	2018	2019	2020
Total revenues incl. transfers, bill. UAH	231,7	294,5	366,1	502,1	562,2	560,5	471,5
Increase, bill. UAH	n.a.	62,8	71,6	136	60,1	-1,7	-89,0
Per cent increase	n.a	27,1	24,3	37,1	12,0	-0,3	-15,9

Source: own calculations based on data of the Ministry of Finance of Ukraine.

A significant drop in local total revenues experienced in 2020 must be attributed mostly to a cut of national government transfer payments towards local governments due to change in priorities of public expenditure policy. Despite that COVID-19 pandemic hit that year the Ukrainian economy, it had no significant consequences for the local finance. The authors of a U-LEAD report dedicated to this issue (Ventsel et al., 2021) came to the conclusion that COVID-19 pandemic caused some losses for local budgets, however they were overcompensated due to increase in minimal wage set by the government for 2020 (+15 per cent) and increase in average wage level (+10 per cent). As a result, the average budget execution rate for aggregated total local revenues in 2020 was 99.6 per cent with general budget fund revenue increase of 5.4 per cent in comparison to the level of 2019. This situation contrasts to that observed in most countries of Europe. The regional and local governments in Europe lost about 7.3 per cent of their revenues in comparison to the year 2019 (European Committee of the Regions, 2021). It could be assumed that some responsibility for such a phenomenon are the specifics of vertical public expenditure allocation in Ukraine, as well as a traditionally loose revenue forecasting that gives many possibilities to hide the revenues in order not to be subjected to revenue extraction by the national government.

Unlike other countries of the Western and Central European regions, Ukraine practiced a voluntary approach to the amalgamation. The voluntary approach had been attempted in several of the European countries, but in the end most of the countries had to resort to a mandatory approach to reducing the number of local government units (Swianiewicz, 2002).

The process of amalgamating these units began in earnest in 2015-2016 following the adoption of the respective Cabinet of Ministers regulations. It was driven by a bottom-up and voluntary method that allowed the local communities to determine how they wanted to merge. The process allowed for the initiation of the process through the local officials, primarily the mayor or local council, and the citizens.

The progress toward merging these units proceeded slowly over the years beginning in 2015 with 159 newly-established ATCs and ended up with 1,469 ATCs by the end of 2020. The voluntary amalgamation reached a peak in 2019 and further progress to merging the units was very difficult to achieve after 5 years of the voluntary approach. There were several reasons for this, but the most important appeared to be that there was substantial resistance from the larger and wealthier local governments to merge with their surrounding and less wealthy local governments (Udovychenko et al., 2017). These units didn't feel that they would benefit from increasing their population or territorial size and the revenues they collect would be spread over the revenue-tight communities merged with them. On the other side, in some regions the small rural local communities which were highly dependent on donations and decisions of district authorities were afraid to lose external sources of revenue in course of amalgamation and that was aggravated by situation of the compact dwelling areas of national minorities which were sensitive to maintaining their cultural identity (Vartsaba and Mulesa, 2018).

In addition to this resistance, the district governments still existed and, in some instances, overlapped or duplicated the area of the merged communities. The district administrations feared that they would be eliminated and not have the fiscal resources even though they still had services to deliver. So, district officials were very opposed to the merging of units in their areas of jurisdiction.

The initial analysis examined the level of per capita own revenues of the ATCs with the allocation of the personal income tax exclusively to the local units and the increase as a per cent to the average of the total sample tracked over the years from 2016 through 2020 in each of the population segments. These data are presented in Table 3.

Table 3. Per capita own revenues (total revenues without transfers) by population segments and years, per cent to average in four regions

ATCs by population size	2016	2017	2018	2019	2020
>15,000	87,8	91,3	92,4	91,0	92,5
10-15,000	152,6	151,6	132,6	130,3	134,8
5-10,000	94,8	93,5	91,9	92,2	94,5
<5,000	94,8	98,3	99,8	91,5	93,2

Source: Authors' calculation based on data published on the Decentralization website (www.decentralization.gov.ua).

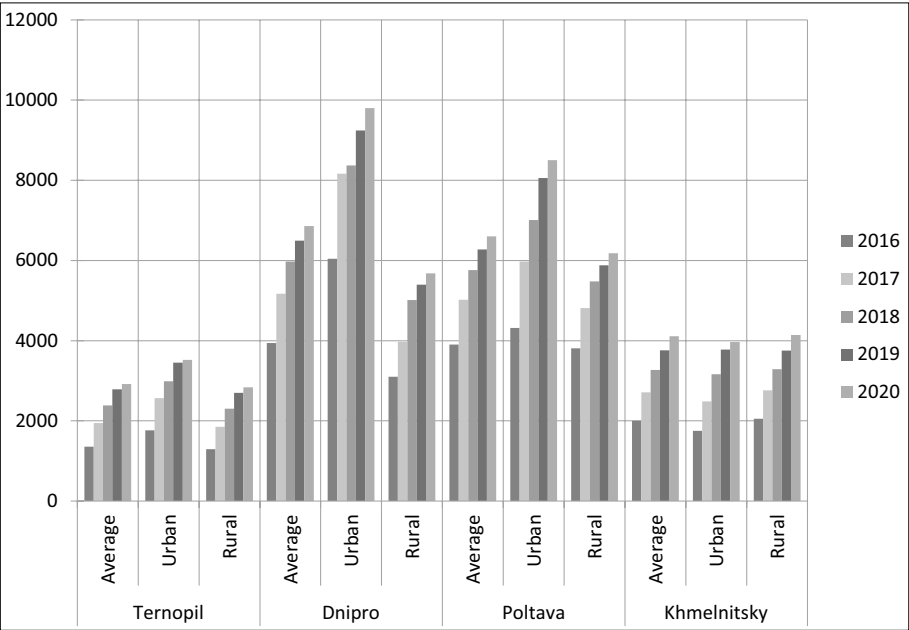
The data above indicate that the revenue variations across the ATCs is rather dramatic. The 10-15,000 population units had substantially more revenue over these years on a total revenue basis. The 5-10,000 and the larger than 15,000 units exhibited a relatively stable revenue base over these years. At the same time the less than 5,000 population and the 10-15,000 showed a decline in revenues over the same period. The most concerning situation is with regard to the 10-15,000 population which indicates a dramatic decline in revenues in 2018 and stays at a lower level for the last two years.

However, it also appeared that interregional differences concerning ATC fiscal endowment are quite substantial. The Figure 1 below provides a perspective of the differences over the years of the per capita revenue for each of the regions and urban/rural designation.

The data tends to indicate that the divergence between urban and rural units was the greatest in the Dnipro and Poltava regions, both in Eastern Ukraine. The difference between urban and rural units is the least for the Ternopil and Khmelnytsky regions (both Western Ukraine) and are at a much lower level than for the Dnipro and Poltava (Eastern and Central Ukraine) regions. The graph reveals that the ATC revenues, both in urban and rural locations did grow over the years in all of these regions. The differences across the regions with regard to total revenues correlate to the level of economy development

in each region: the most developed are Dnipro and Poltava (Eastern and Central Ukraine) which are more industrial and the less developed Khmelnytsky and Ternopil, (Western Ukraine) which are more agricultural based regions.

Figure 1. Per capita revenues by regions in urban/rural ATCs by years, UAH



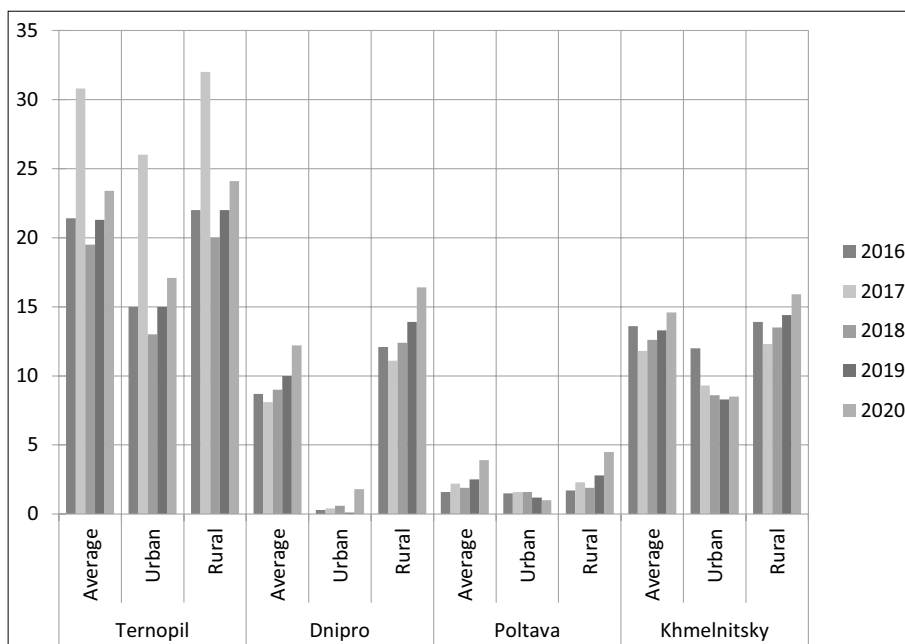
Source: Authors' calculation based on data published on the Decentralization website (www.decentralization.gov.ua).

The level of per capita revenues indicated that the worse-off ATCs must be supported by the transfers from the central government. However, it must be noted that amalgamation policy aimed to make the local units more fiscally viable, so it was plausible to expect that transfer dependence would get lower in amalgamated units in comparison to the pre-amalgamation period.

It has not been a surprise that our analysis (Figure 2) showed that the rural ATCs appeared to have higher transfer dependence over the urban areas during this period. The levels of donations generally grew over the years from 2018, but were nearly back at the same levels as at the beginning in 2016. Overall, the levels were rather stable over these years. The upward trend is observed from 2018 on both in the rural and urban areas of all the regions.

While the transfers show a rather stable (around 50 per cent to total revenues) and slightly upward trend in the aggregate, the analysis on a regional basis shows some significant differences.

Figure 2. Share of donation in the ATC budgets by years across the regions

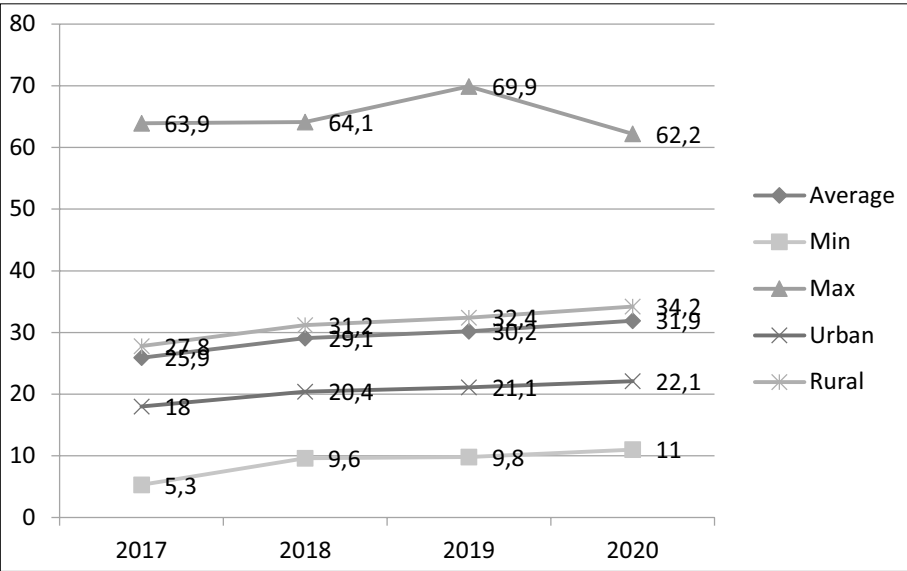


Source: Authors' calculation based on data published on the Decentralization website (www.decentralization.gov.ua).

There is a great variation across the regions in terms of the transfers received. The Ternopil region represents an interesting case in that both the rural and urban amalgamated units had a much higher transfer share over the years compared to the other regions. However, these transfer shares decline substantially after 2017. The Dnipro rural ATCs received much more transfers in the later years compared to earlier years. In the Poltava region the rural and urban ATCs had very low levels of transfers. Once again, Poltava and Dnipro regions, both in the Eastern and Central Ukraine, had much lower levels of transfers compared to the other regions because of having more generous sources of budget revenues due to higher economic development.

Another finding is a trend in expenses on the local government bodies observed since amalgamation started. Figure 3 below demonstrates that a share of ATC expenditure on local government bodies in the sample units amounted to 26 to 32 per cent on the average since amalgamation began. An upward increase was observed both in urban and rural ATCs. Such a trend in expenditure composition could indicate that new possibilities stemming from extended local revenues are compromised to some extent by a bias of local administrators to spend more local revenues on themselves, and are therefore missing in this way the opportunities to increase the level and quality of local public service delivery.

Figure 3. Expenditures for the local government bodies as per cent of general fund revenues (own revenues plus general transfers)

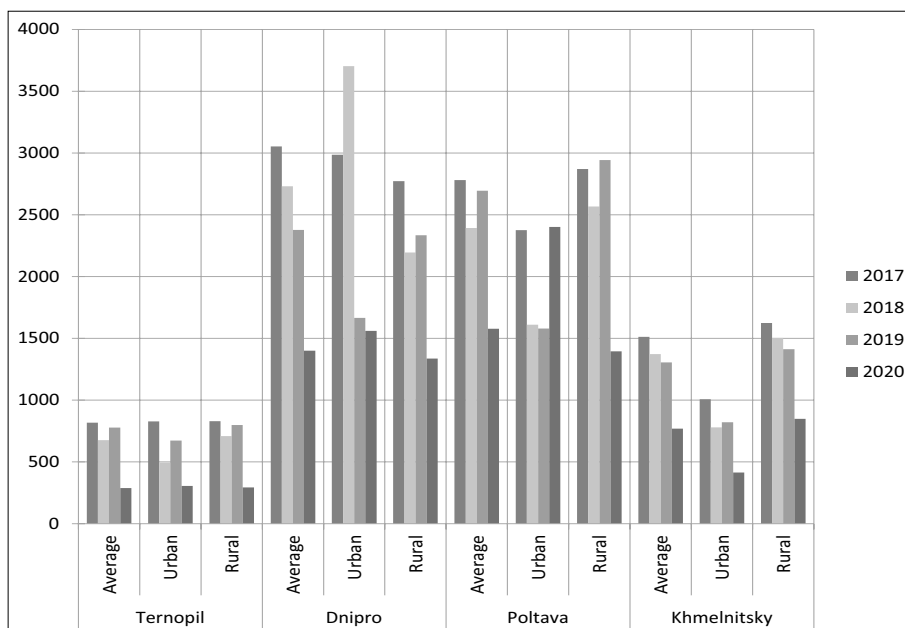


Source: Authors' calculation based on data published on the Decentralization website (www.decentralization.gov.ua).

The data reveal a higher level of these expenditures as opposed to spending on public services over these years. The upward trend in expenses would indicate that these are taking more of the general fund budget relative to the other general fund expenses, such as the delivery of public services. The level of expenses on the local government bodies is much higher for the rural areas as opposed to the urban areas. The values for this expenditure share show that one of the goals of amalgamation – to keep administrative cost in ATCs at the level of 20 per cent to general revenue fund at maximum – is far from being achieved. Moreover, the growth trend here is obvious with the average value reaching over 30 per cent in 2020. This situation is a particular characteristic for the rural areas in the whole of Ukraine. This takes into consideration that most ATCs from our sample are rural. The Ministry of Finance of Ukraine latest data showed that in rural local governments the share of expenditures on local government bodies soared up to almost 40 per cent in 2020 (Ministry of Finance of Ukraine, 2021).

A very important indicator of forming the viable local communities is their investment activity as it supports local economy that in turn generates local revenues. So, it was logical to assess in what way the amalgamation process affected local public investments. Our major finding is the following one: there is an opposite trend in general budget revenues and the ATC per capita investment expenditures in nominal values and this tends to diminish from year to year in all the regions. This follows from data presented in Figure 4.

Figure 4. Per capita capital expenditures by regions urban/rural by years, UAH



Source: Authors' calculation based on data published on the Decentralization website (www.decentralization.gov.ua).

What is additionally evident here is that the Dnipro and Poltava regions (Eastern and Central Ukraine) have much higher levels of per capita capital expenditures over the years and with substantial variations from year to year. The greater convergence between the per capita capital expenditures between rural and urban areas is most noticeable in the Ternopil and Khmelnytsky regions (both Western Ukraine). The extent of the variations from year to year of the capital expenditures does not demonstrate a particularly stable or upward trend in the capital expenditures among these units. Generally, there was a downward trend in the per capita capital expenditures over these years with a significant decline in 2020.

Considering the key trends and relationships characterizing the process of amalgamation of territorial communities in Ukraine, surprisingly strong correlations between the following metrics were identified:

- High negative correlation (-.536) between the share of basic donation in total revenues and own revenue per capita. This result shows a natural connection that reflects the replenishment of transfers in regions with insufficient cash flow levels.
- Moderate negative correlation (-.322) between the share of expenditures for the government bodies in general revenues and the population of amalgamated territorial communities. Such a result arises as a scaling effect: the higher the population, the lower the share of administrative costs

per capita. More significant consolidation of the ATC groups may lead to a smaller percentage of these expenses to revenue generated by the community.

- A high positive correlation (.629) between capital expenditure and own revenues per capita. As a result of higher business activity in the region, investment in the area increases accordingly, demonstrating the most robust pairwise relationship.

The hypothesis tests were performed to conclude a significant linear relationship for described pairs of metrics with p-values lower than the .05 significance level. In addition, the performed correlation analysis confirms the hypotheses stated earlier.

Machine learning methods were used to describe the functional impact of individual components on the target performance metrics of the reform. Among the methods tested for explaining the share of donations, CatBoost Regression, the model of gradient boosting as an ensemble of decision trees on a transformed sample of data free of multicollinearity and with combined categorical variables, was singled out as the most accurate. In addition, the bootstrapping method was used to expand the data sample (see Table 4).

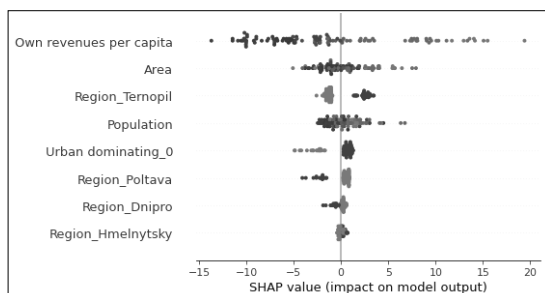
Table 4. Comparison of accuracy of Machine Learning models to explain basic donation in total revenues metric

Model	MAE	MSE	RMSE	R2
CatBoost Regressor	4.9094	49.7953	6.9067	0.7098
Extra Trees Regressor	4.7632	51.2661	6.9905	0.7094
Random Forest Regressor	5.2213	54.5084	7.2579	0.6866
Gradient Boosting Regressor	5.3972	56.6585	7.4068	0.6635
K Neighbors Regressor	5.4193	60.0295	7.6164	0.6553
Extreme Gradient Boosting	5.4377	61.5980	7.7341	0.6412
Linear Regression	6.4467	65.4230	8.0205	0.6267

Source: Authors' calculation.

Since gradient boosting is a complex algorithm for interpreting the influence of multiple independent variables on a target metric, we used the Shapley Additive Explanations algorithm, a sensitivity analysis-based method for explaining prediction models, to identify the character and strength of the influence of our variables (Figure 5).

Figure 5. SHAP Values of factors explaining share of basic donation in total revenues in CatBoost Regression Model

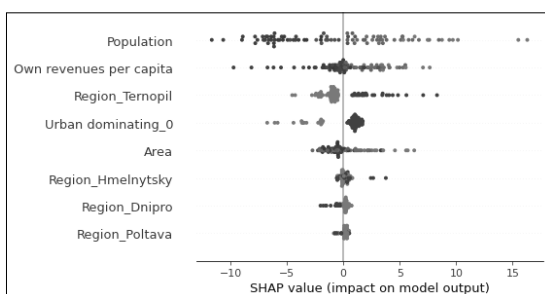


Source: Authors' calculation.

As we can see from the sensitivity analysis, per capita own revenues have the most decisive influence, while there is a robust negative relationship between this factor and the share of basic donation in total revenues. The area of the ATC plays the second most important place in the model, while the relationship also has a negative value. Another point that should be highlighted from the sensitivity analysis of the factors is that a larger share of subsidies is characteristic for ATCs of Ternopil region and those ATCs from other regions which have majority of the rural population. The situation is the opposite for Poltava and Dnipro regions.

Using a similar approach to illustrate the share of subsidies to the region we built a model that explains the percentage of expenditures for government bodies in the revenues. The model with the best characteristics was determined to be the Extra Trees Regressor model. This model has even a slightly lower level of Mean Absolute Error (4.24 p.p.) of expenditures for government bodies share and the coefficient of determination at the level of .739. The results are presented in Figure 6.

Figure 6. SHAP Values of factors explaining share of basic donation in total revenues in Extra Trees Regression Model



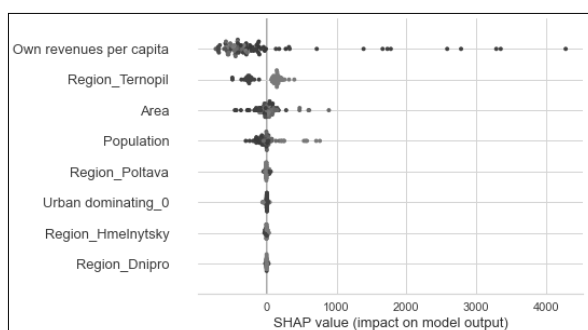
Source: Authors' calculation.

In the Extra Trees Regression model the population factor has a higher influence, demonstrating a certain positive scale effect of consolidation into a

single ATC. The relationship between the variables is negative, as predicted in the correlation analysis. The second most important factor – own revenue per capita, also shows a negative impact. The regional location and a share of the urban population have impact similar to the previous model, however we should emphasize a stronger and more pronounced negative effect for the Khmelnytsky region.

The Random Forest Regressor model was determined to be the most accurate model for the estimating factor for per capita capital expenditures, but the error rate for this variable is sufficiently high at 34 per cent Mean Absolute Percentage Error (Figure 7).

Figure 7. SHAP Values of factors explaining per capita capital expenditures in Random Forrest Regression Model



Source: Authors' calculation.

The highest positive impact on per capita capital expenditures has the amount of per capita own revenues, while other variables that have a strong effect can be defined as the binary metric of the Ternopil region and the metrics of ATC population and area.

5 Discussion

This research has examined the impact of a voluntary approach to amalgamation and accompanying policies of local government finance over a five-year period from 2016-2020. The intent was to see if there was a level of correlation or trend relationship across these years in terms of the population size to the fiscal resources and spending patterns. The assumption being that the greater the population the greater the level of fiscal resources and that these would rise as population levels of the amalgamated units increased. It was also assumed that after amalgamation ATCs would improve their expenditure composition and spend more money on investments.

While most studies of the impact of amalgamation have focused on the levels of expenditures, this research focused on the revenue sources related to own source revenues and transfers, capital expenditures and administrative expenses.

The research indicates that population size as a predictor of increased fiscal resources is not proven by the experience in Ukraine. The amalgamation approach of Ukraine of relying on voluntary amalgamation, use of inter-municipal cooperation and enhanced fiscal resources should have provided a high probability that larger units would demonstrate increased fiscal resources. Some studies carried out at the initial stage of decentralization put forward such result as an argument to amalgamate into larger ATCs (Kaziuk, 2016).

This correlation was not proven by the data analyzed in this research. This would suggest that concerns about fiscal viability of newly formed territorial units expressed by some students (Vozniak and Zherybylo, 2020) is sustained as our analysis shows. However, we do not suggest that population size is an inappropriate indicator for clustering the ATCs as some students claim (Liutyi and Spasiv, 2019). The problem with the absence of correlation among population and own revenues (as well as capital expenditures) could be rooted in institutional peculiarities of Ukrainian local governments system, especially with low elasticity of own local revenues with regard to the government size. And this is maybe a very significant weakness of Ukrainian decentralization reform because the world-wide experience of many countries demonstrated a high importance of fiscal incentives for local revenue collection (Jin et al., 2005).

Our research did indicate a significant level of differences between the fiscal capacity of urban and rural amalgamated units as might be expected. The rural areas had lower levels of fiscal resources, while urban areas, particularly those that include the large cities, had greater levels of fiscal resources. Whether this will remain true following the mandatory amalgamation implemented in 2020 will need to be further researched.

We suggest that an increase in ATCs own revenue observed through the time in our sample could be associated with some fiscal risks coming from a high (over 50 per cent) dependence on PIT. As some Ukrainian researchers emphasized, the PIT proceeds in smaller ATCs fall mostly on those who works for local budgetary institutions (school teachers, local council staff, etc.) and high reliance on PIT is in most cases associated with lower per capita own revenues (Hrynychshyn, 2019). This is an additional argument for changing ATC revenue composition in favor of truly own source revenues.

However, it is clear that despite growing own source revenues, the amalgamation in its present form did not make ATCs more fiscally independent. The dependence on equalization transfers did not change greatly over time, but with some slight growth trend. This observation supports a claim by Lunina that local governments in Ukraine still have no fiscal instruments to adjust their own revenues to own expenditures (Lunina, 2014). The initial situation where around 80 per cent of ATCs received the equalization transfers (Baranivskyi, 2017) did not actually change. However, as our correlation analysis suggested, the growth in own revenues must lead to decrease in transfer dependence. The problems is that governmental policy should be more directed at increasing local fiscal autonomy.

Our study of expenditure patterns related to ATC revenue development revealed some problems with spending efficiency. This fact is not a unique one, as some studies documented no influence of amalgamation on local government spending efficiency (Afonso and Venancio, 2020). It could also be related to the complex interaction between elected politicians and bureaucrats at the local level (Peters, 2020). Our findings concerning growing share of expenses on local government bodies may indicate some institutional issues in local governance that are still present in the Ukrainian subnational public sector. These results are similar to those reported by Blesse and Baskaran (2014) in their examination of differences between voluntary and mandatory merged units in the German federal state of Brandenburg which found that in mandatory merged units there was a greater and more immediate reductions in administrative expenditures, while in the voluntary merged units there was much less reduction in these expenditures. Another study found that in course of amalgamation there is no economy of scale observed as concerns expenditures for local government bodies (Matejova et al., 2017). So, we can suggest that Ukrainian voluntarily amalgamation resulted in less efficient resource usage that could be explained to some extent by decreasing accountability backed by insufficient budget transparency and slow development of own revenue sources. The fact of low local budget transparency in ATCs is documented in a study by Slukhai et al. (2019). Low accountability relates to low citizen participation in local government budget decisions, as recent studies of some countries showed (Ebinger et al., 2019). However, the correlation analysis demonstrated that in general, growing own revenues may lead to decreasing share of this part of expenditures with regard to revenues.

Our analysis of local public capital expenditures in the four regions revealed their downsizing. This observation is consistent with trends observed in some other regions of Ukraine (Melnyk et al., 2019). However, our correlation analysis showed that per capita capital expenditures might increase with growing local revenues.

We also revealed great interregional variation and year-by-year fluctuations of per capita capital expenditures. This maybe caused to a great extent by the inconsistent governmental policy concerning supporting ATCs investments. As the audit by the Accounting Chamber of Ukraine on spending of state subvention for forming the ATC physical infrastructure showed, there have been no explicit principles of subvention accumulation and allocation formulated which have led to its mostly inefficient usage (Rakhunkova Palata Ukrainy, 2019). As this infrastructure subvention is a significant part of ATC capital budget, it would be no surprise that they have no consistent investment policy with resulting observed fluctuations. The empirical studies also showed insufficient influence of local investments on local economic development (Klyuchnik et al., 2020) that could be related to the issues with the state local investment support.

6 Conclusions

Based on the analysis in this paper it was revealed some substantial differences on a regional basis from the decentralization reform. The ATCs in the Eastern and Central Ukraine (regions of Dnipro and Poltava) had more own source fiscal resources and had much less transfer dependence. The opposite was true for the Western Ukraine (regions of Ternopil and Khmelnytsky) with lower levels of own fiscal resources available and higher levels of dependence on transfers. This may indicate significant differences in the economic situation in the regions as well as the capacity of these units to collect revenues and manage fiscal resources.

There may be other explanations for why our basic hypothesis was not fully proven in this decentralization reform. The data may not reflect the different economic situations of the merged units, the different capacities of the local government to collect revenue, and that the policy decisions related to enhanced revenue sources were not sufficient to have a noticeable impact on the fiscal situations.

It is clear that some changes in the current approach to decentralization (amalgamation) should be introduced. First of all there is the need for a broader range of truly local own source revenues. The local governments have to enjoy much higher autonomy in local taxation and that this must extend also to property taxation. In order to enhance local public investments, the amount of investment subsidy also must be increased and its incentive component significantly improved.

It is clear that these improvements could be introduced only after the victory of Ukraine in a war unleashed by Russia on February 24, 2022. Despite the mass destruction of the economy and severe issues with public institutions functioning caused by the aggression, the Ukrainian after-reform local government sector has proven its institutional sustainability.

In any case, the national government should look for reshaping its decentralization policy in some very important constituents. Then the recent amalgamation efforts might bring an expected outcome – getting a fiscally viable and sustainable local government system. This may require a more detailed examination of the own source revenues and the use of additional incentives to spur greater revenue collections. It should also address the potential inequities in the transfers and the use of performance-based grants to increase the willingness of local government units to voluntary merge. Additional attention needs to be directed toward supporting more intensive inter-municipal cooperation in those instances where voluntary amalgamation is not a politically viable approach.

Since the Government of Ukraine mandated a compulsory amalgamation of all local government units in 2020, effectively ending the voluntary approach, our study may provide a basis for future research in terms of analyzing the differences in comparable units that were once merged voluntarily to those

that were mandated. There has been little research in this particular aspect of decentralization and the debate over whether voluntary or mandatory amalgamation will produce better results needs to be addressed. This study may also provide a basis for assessing the deficiencies of utilizing the voluntary approach and lead to identification of amalgamation policies that provide greater incentives for local governments units to merge on a voluntary basis.

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Is the European Charter of Local Self-Government an Effective Instrument for the Protection of Local Autonomy in Poland?¹

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ABSTRACT

Purpose: The objective of this research is to examine whether the European Charter of Local Self-Government is, in practice, an effective instrument for the protection of the autonomy of local government in Poland, as well as to define the contribution of the Polish case law and administrative practice to the understanding of the principles of the Charter. The importance of the subject is strengthened by the political context. For many years, Poland was considered a model country safeguarding extensive local autonomy. Recently, however, recentralization trends have emerged in government policies.

Design/methodology/approach: The research is based on the qualitative and quantitative empirical research of the case law and administrative practice with elements of doctrinal analysis.

Findings: The Charter is present in the case law of the Constitutional Tribunal (22 judgments), administrative courts (166), and public administration bodies supervising local governments (49). The number is high compared to other CoE countries. The administrative courts seem to be more eager to adjudicate in favour of local governments in the cases in which the Charter is referred to.

Academic contribution to the field: A specific Polish input to the application of the Charter is the frequent use of the principle of proportionality in the supervision of local governments, which serves the courts as a perfect tool for resolving 'hard cases' between the local government and central administration bodies. In several important judgments, Article 11

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concerning the judicial protection of local governments was invoked to effectively strike down the law limiting the local governments' access to court in specific cases.

Practical implications: The research may be useful for local government representatives in formulating their litigation strategies, especially in legal disputes with central authorities.

Originality/value: This research is the first all-embracing empirical research of the application of the Charter in a country's legal practice. It shows original ways of the practical use of the Charter not described in the literature so far.

Keywords: European Charter of Local Self-Government, local government, administrative courts, supervision of local government, local autonomy

JEL: H70

1 Introduction

One, common model of organization of Local Government and of the shape of local autonomy in European legal culture does not exist. In legal scholarship and political science there were some attempts to develop the typologies of local government systems. One of the most eminent is the division between Southern European systems, characterized by municipalities with a few functions and competencies, a low legal discretion and a high access of local politicians to the central (and regional) level of government and Northern European systems which are, on the contrary, characterized by a strong decentralisation of functions, a high level of distraction and low access of local politicians to the central state (Heinelt and Hlepas, 2006). Another typology distinguishes three types of organization of LG: 'Franco group' in which the 'main task of the local government is to form structures of territorial interest intermediation at the lower level of government'; 'Anglo group' in which local government has 'weak legal and political status, but is important in shaping and delivering public services' and 'The North and Middle European group' where 'strong emphasis is given to the shaping and delivering of public services', but local government enjoy also strong constitutional status and high financial independence. (Hesse and Sharpe, 1991). The sources of such geographical and political differentiations date back to the 18th and 19th process of emergence of modern national and democratic states (Page, 1991).

Given such circumstances, the need for common standards of assessment of local autonomy are particularly necessary. The European Charter of Local Self-Government (Charter), an international treaty adopted under the auspices of the Council of Europe in 1985 is perceived as the main source of such international standards for the functioning and protection of Local Self-Government (Ladner et al., 2019, p. 4). It was signed and ratified by all the countries members of CoE. Poland ratified the Charter in 1994. As Himsworth noticed, the Charter plays a very important symbolic role as 'a declaration of a shared commitment to a democratic ideal – the health of democracy at the local level'. However, he

underlined that it is an extraordinary treaty as it regulates governmental structures and their interrelationships at the international level, which provokes the natural caution of the countries' governments (Himsworth, 2015, pp. 4–5). It should be also added that this treaty, unlike e.g., European Convention of Human Rights, is not a basis for the proceedings before the international courts or organs. According to the Article 14 of the Charter, the countries parties are only obliged to forward to the Secretary General of the CoE relevant information concerning legislative provisions and other measures taken by them for the purposes of complying with the Charter's terms.

Therefore, the burden of direct application of the Charter is put on the internal courts and organs of countries parties. There is still little data concerning the application of the Charter in the reality of the administrative and judicial procedures. It is maybe because the Charter is often regarded in legal scholarship as an unknown and disregarded tool for the practitioners of law and administration (Boggero, 2017, p. 1). Recently, a brief report on the reception of the Charter in the caselaw of the national courts of last resort was published by the Council of Europe. This publication should be seen as very general as it covers the practice of all the CoE members on 16 pages only (Tanasescu and Moreno, 2019). The methodological framework applied in the report, based on both qualitative and quantitative analysis of legal practice serves as an inspiration for this paper. Main findings of the report were, *inter alia*, that in the vast majority (26 out of 33 investigated countries) there was caselaw citing the Charter, although it was not numerous. Only in one case the Charter was referred to by the court *ex officio*. In most countries (16) it was the Constitutional Court's role to apply the Charter. In 11 countries it was the Supreme Court (incl. its administrative chamber) while in three countries such caselaw came both from constitutional courts and from the administrative sections of the supreme courts (Tanasescu and Moreno, 2019, p. 6). Among the findings of the qualitative the report underlines that in most cases the courts find the Charter's norms 'too generic or vague' to be directly and autonomously applied. However, there were exceptions for that rule e.g., in Switzerland, Croatia and Latvia (Tanasescu and Moreno, pp. 8–10).

The Charter is seen as a set of standards and benchmarks in comparative studies of Local Self-Government systems in Europe (Moreno, 2012; Brezovnik et al., 2021). The Monitoring Committee of the Congress of Local and Regional Authorities of CoE issues the regular reports concerning the observance of the Charter (following the "article by article" pattern) in each of the country which ratified the treaty (available on website of CoE: <https://www.coe.int/en/web/congress/congress-reports>). The reports are respected in the scholarship. They served, e.g., as one of the basic sources in comprehensive study measuring the local autonomy in European countries (Ladner et al., 2019). Until 2015 Poland was considered one of the leaders of local autonomy in Central and Eastern Europe (Swianiewicz, 2014, pp. 303–305; Ladner et al., 2014, p. 345). However, in the last report concerning Poland, the rapporteurs critically assessed the recentralization of public policies in Poland and its features such as the interferences by State authorities within the local independent functions,

overuse of the administrative supervision and lack of sufficient resources for local authorities. They found that Polish practice of Local Government does not comply with two sections of Article 4 of Charter concerning the scope of the Local Government, Article 8.3. introducing the principle of proportionality of supervision of local authorities and three sections of Article 9 concerning the local finances (Baro Riba and Mangin, 2019). The recentralization policies of the Polish central government after 2015 were even described by Polish scholars as 'centralistic shift' (Szesciło, 2019, pp. 171–175).

The main research questions of this paper are: 1) whether the Charter is in practice an effective instrument for the protection of local autonomy in Poland? 2) What is the contribution of Polish judiciary and administrative practice for the understanding of the general principles of the Charter? The detailed questions are: whether the Charter is relied upon by the LGs during the administrative and/or court proceedings? Whether the Charter is applied or referred to in the organs' or courts' reasonings? If so, whether it is applied autonomously or in conjunction with the constitutional or internal legal norms? Which provisions and standards of the Charter are invoked most frequently? Which provisions most frequently serve as a pattern of striking down the country's laws or administrative decisions concerning the LG autonomy and competences and, to the contrary, which of them never or rarely play this role?

2 Methods

To answer research questions an empirical (qualitative and quantitative) research of the judiciary of Polish courts and decisions of the organs of public administration was conducted. The research refers to the tradition of Empirical Legal Studies putting special emphasis on the law in action rather than law in books (Leeuw and Schmeets 2016, p. 2).

The following bodies' legal practice was examined:

1. Constitutional Tribunal, based on the 'Kelsenian model' whose task is to carry out the abstract hierarchical control of the compliance of lower-level legal norms with the higher-level norms. On the grounds of the Article 188 of the Constitution of Poland of 2 April 1997, the Tribunal is entitled not only to verify the constitutionality of the legal acts but also the conformity of the statutes, by-laws and other legal provisions to the ratified international agreements, e.g., to the Charter.
2. Administrative courts (16 regional courts in the first instance and Supreme in the second). According to Article 184 of the Constitution and to Articles 92–94 of the Local Government Act of 8 March 1990, their task is to control the actions of public administration (on the request of e.g., citizens, legal persons, or the prosecutors) and to resolve disputes over the legality of the LG's acts, esp. between the supervisory organs and LGs.
3. Supreme and ordinary courts, whose task is to administer justice in criminal and civil cases (LGs possess the legal personality also in private law).

4. Organs of public administration responsible, according to the Article 171 of the Constitution, for the supervision of the LG's acts, which are: in general matters voivodes, who are representatives of the central government in regions (voivodships) and are nominated directly by the Prime Minister and in financial matters the Regional Audit Chambers, whose members are appointed by the Prime Minister after the free, meritocratic contest for the job.

It then should be noted that the scope of the research is broader compared to the Tanasescu and Moreno review, as it covers also the regional administrative courts, ordinary courts, and organs of administration, while the cited authors focused on the national courts of last resort.

The official databases of the judgments of CT, administrative courts, ordinary courts (civil, criminal, labor law cases) and Supreme Court were searched in order to obtain all the judgments based on the Charter (for web addresses of databases see references). Because of the lack of a reliable official database equipped with a search engine, to get information about the application of the Charter in administrative practice the professional commercial searching engine (Lex, provided by Wolters Kluwer) was used. Lex database was also used for the purpose of the triangulation of data obtained through the public databases. The collected data date from the 1997 on in case of the CT, and from 2000 on in case of the other organs. According to the public and commercial professional databases all the judgments and administrative acts referring to the Charter issued during that period were examined.

Taking into consideration the role the Charter plays in international scholarship in terms of measuring local autonomy (described in the introduction to this paper), the results of this research may also contribute to more general research problem which is the condition of local autonomy in Poland's local government system.

3 Results

3.1 Results of the qualitative research

This sub-chapter is composed of three parts. In the first part, the general statistics concerning the number of cases and decisions in which the Charter is referred to in the practice of the courts and administrative organs are presented, as well as the information concerning the geographical and historical distribution of such acts of application of law. In the second part, the focus is on the results of the cases in which the Charter was mentioned. In the third part the analysis concerns the specific articles of the Charter referred to in the reasonings of the organs and courts.

3.1.1 Number of cases referring to the Charter

The number of cases in which the Charter was referred to is significant and diversified between the different courts and organs of public administration. However, vast majority of such cases took place before the organs of admin-

istrative supervision over the LGs (voivodes, Regional Audit Chambers) and administrative courts.

Table 1. Number of cases/decisions in which the Charter is referred to

Court/administrative organ	Number of judgments/decisions
Administrative courts (Supreme and Regional) ²	166
Voivodes	43
Constitutional Tribunal	22 (29) ³
Regional Audit Chambers	6
Supreme Court	2
Ordinary courts	0
All	239

Source: Own calculation on the basis of data selected from official databases of Constitutional Tribunal, administrative courts, Supreme Court and ordinary courts, Lex search engine.

Most cases before administrative courts in which Charter is referred to are disputes between the organs of administrative supervision (voivodes, Regional Audit Chambers, and public prosecutors) and local authorities. There are several judgments concerning the cases between citizens and local authorities in which Article 3 of the Charter was invoked by the citizens (e.g., Judgment II SA/Rz 790/14, 10 December 2014, RAC in Rzeszów). Surprisingly, three judgments referring to the Charter were issued in the cases between the citizens and the organs of the central administration in which LGs were not the parties of the proceedings (e.g., Judgment IV SA/Wa 2904/12, 22.4.2013, RAC in Warsaw). Although, each year a few hundreds of disputes between the LGs and the supervisory authorities are resolved by the regional administrative courts. E.g., in 2018 this number amounted to 796, of which 421 cases were initiated by the complaint of the Local Government and 375 by the supervisory authorities. During that year only in 14 cases the Charter was invoked (Data according to Annual Information on the Activities of the Administrative Courts Report of Administrative Courts in 2018).

Most of the judgments of Constitutional Tribunal in which the reference to Charter was marked were issued in cases initiated by the LGs on the grounds of Article 191.1.3 of the Constitution, which permits the LGs to file a motion to Tribunal to verify *in abstracto* the constitutionality of an act which relates to

² If the Charter was referred to in the same case by both Regional (1st instance) and Supreme Administrative Court (2nd instance) it was counted as 1.

³ 7 cases were redeemed for formal issues.

the scope of their activities. However, one case was started by the preliminary request of the District Court, one by the groups of the Members of Parliament and two on the motion of the Ombudsman. This fact should be seen as the proof of the appreciation of the importance of the local autonomy by other actors of the public scene in Poland, as their motions concerned the defense of LGs' rights as well as of the fact that the Charter is an appreciated legal act not only among Local Governments. It is worth mentioning that the motions came from various LGs, starting from little rural communes (E.g., Judgment K10/13, 12 February 2014, on the motion of the Council of rural Commune Kobierzyce) to the regional authorities (e.g., Judgment U1/10, 23 October 2012, on the motion of the Council (Sejmik) of the Mazowieckie Voivodeship which is the largest region in Poland). It must be stated that according to CT's official database since 1997 the LGs have filed 86 motions, 25 of which (29%) were based partially on the charge of inconsistency of the piece of legislation with the Charter. It shows that the Charter is widely known and appreciated among the society of Polish local authorities' members.

Only two judgments of Supreme Courts in civil law cases referring to the Charter were detected. Both invoked Article 4 concerning the scope of Local Self-Government as an argument for the LG's liability for damages (E.g., Judgment IV CSK 591/16, 20 July 2017, Supreme Court). No judgment of ordinary court referring to the Charter was found out. This fact may be explained in two ways. First is that the Charter's norms only to the very limited scale can be referred to the civil cases. Second, that the Charter is far less known among the judges of ordinary and Supreme Court who, contrary to their colleagues from the administrative courts, only incidentally cope with the cases in which LGs are involved.

The judgments referring to the Charter were issued in 15 out of 16 Regional Administrative Courts. However, the number of such cases varied from 3 (courts in Bydgoszcz and Kielce) to 21 (court in Opole). At the same time, only 5 out of 16 voivodes and 3 out of 16 Regional Audit Chambers referred to the Charter in their reasoning of their supervisory decisions. This may be provoked by the fact that the Charter by its essence serves to protect the LGs' autonomy, therefore the supervisory organs have no reason to invoke it contrary to the court, whose role is to independently adjudicate between the interests of the LGs and central administration.

There is no clear 'historical' tendency in citing the Charter. In the second decade of the 21st century (2011–2020) the number of the administrative court cases in which the Charter was referred to amounted to 89 compared to 72 in the previous corresponding period. However, the growth is far from being constant. E.g., in 2018 18 such verdicts were issued while in three following years put altogether – only 9. It should also be noted that last substantive judgment of CT referring to the Charter was issued in March 2014. Since then, 5 cases in which the treaty was invoked have been redeemed for formal issues (*inter alia*, because of the withdrawal of the motion by LG caused by the improper composition of the judicial panel). This fact must be regarded in the context of the decay of this court's independence and public trust provoked

by the chronic constitutional crisis in Poland started by the conflict over the composition of this crucial court (Sadurski, 2019). Based on the contents of the verdicts, it can be concluded that in 103 out of 166 cases the administrative courts invoked the Charter *ex officio* without the party's request. This fact is striking when confronted with the finding of Tanasescu and Moreno, that there was only one such case in the investigated 33 countries of CoE. As for the CT verdicts, all 22 references are based on the petitioners' requests, which is understandable considering the fact that according to the Article 67 of the Act on the Proceedings before the Constitutional Tribunal of 30 November 2016, the Tribunal is obliged to provide judgements only within the scope of the motion.

In only 44 supervisory decisions of voivodes and 6 such acts of the Regional Audit Chamber the Charter was invoked. It is a very low number when compared to the total number of such acts which every year amounts to c.a. 2–3 thousand (e.g., in 2018 – 2886 supervisory decisions of voivodes, none of them referred to the Charter). It is not possible to obtain information whether the LGs in the proceedings before the organs of supervision invoked the Charter, as the materials from the proceedings are not available.

3.1.2 Results of the cases in which the Charter was invoked.

Table 2. Results of the cases in which the Charter was referred to from the viewpoint of Local Self-Government

Court	Positive ⁴	Semi-positive	Negative
Administrative courts	72	19	71
Constitutional Tribunal	3	2	17
Supreme Court	0	0	2
Supervisory Organs' decisions	5	0	44

Source: Own calculation on the basis of data selected from official databases of Constitutional Tribunal, administrative courts, Supreme Court and ordinary courts, Lex search engine.

In administrative cases, referring to the legal reasoning based on the Charter seems to be a successful litigation strategy for the LGs. In 57% of the cases in which the court referred to the treaty, the result was positive or semi-positive from the viewpoint of Local Government. This is a high proportion if it is considered that the general success rate of the LGs in the disputes against the supervision is roughly 25–30% (data based on the Annual Informations of the Administrative Courts). It means, above all, that relatively frequently admin-

4 As 'positive' were classified the verdicts in which all the requests of LG's were upheld, as 'negative' – those in which they were overruled, as 'semi-positive' in which they were partially upheld partially overruled.

istrative courts find that the acts of supervision over the local government infringe the principles of the Charter and that the acts of LGs are legitimate because they fulfill Charter's norms. It should be underlined that such verdicts concerned a wide range of matters including commune's organizational acts (e.g., Judgment III SA/Gd 536/11, 23 February 2012, RAC in Gdańsk), organization and financing of public services such as education (E.g. Judgment II SA/Op 319/07, 26 July 2007, RAC in Opole) or water supply (E.g. Judgment III SA/Po 398/06, 20 July 2006, RAC in Poznań), changes of the streets' names (E.g. Judgment II SA/Wa 1131/18, 6. December 2018, RAC in Warsaw), spatial planning (e.g. Judgment II SA/Go 487/13, 4 July 2013, RAC in Gorzów Wielkopolski), environment protection (e.g. Judgment II SA/Po 883/04, 4 March 2005, RAC in Poznań) or personal issues such as dismissal of the councilors because of the breach of the *incompatibilitas* principle (e.g. Judgment III SA/Kr 973/07, 9 June 2009, RAC in Kraków).

Significantly different are the results of the cases before the CT. It is only in three cases that this court found some legal provisions inconsistent with the norms of the Charter. Two of them concerned the community's contractual freedom (Judgments K 1/06, 26 June 2006, and P 2/08, 2 October 2008), another specific regulations concerning the finances of the system of public education, in which the LGs play important role as the owners of schools (Judgment K 19/07, 18 December 2008). It must be stated that most of the principles of the Charter are similar to the constitutional provisions concerning the legal construction of the LG expressed in Chapters 1 and 7 of the Polish Constitution. It was rightly stated by a former judge of the Tribunal, who argued that the Tribunal does not give the essential and decisive meaning to the Charter's provision and uses them rather as enforcement of the legal reasoning based on the constitutional principles (Kieres, 2015, p. 98). Moreover, in many cases CT refers to the standards expressed in the Charter without naming explicitly this act. E.g., in the widely commented, landmark judgment, the Tribunal found that the obligation of the Local Government to cover the net loss of the hospitals it runs is unconstitutional. However, the court based the judgment solely on the art. 167 of the Constitution, which stipulates that the 'units of local government shall be assured public funds adequate for the performance of the duties assigned to them' while not referring (even in *obiter dicta* formula) to the Article 9.2. of the Charter introducing the similar norm (Judgment K 4/17, 20 November 2019).

In both cases in which the Supreme Court invoked Charter the result was negative from the viewpoint of the LG involved. In just 5 supervisory decisions of voivodes, Charter was referred to in favor of Local Government. In those cases, the principle of proportionality introduced by the Article 8.3. was invoked, based on which the voivode decided not to quash the LG's act infringing the law because of lack of the gravity of the infringement.

3.1.3 Articles of Charter referred to in and decisions

Table 3. Articles of Charter referred to in judgments of the Constitutional Court⁵

Article	Legal norms found contrary to the Charter	Legal norms found compliant with the Charter	Total
3 (concept of local self-government)	1	7	8
4 (scope of local self-government)	3	5	8
5 (Protection of local authority boundaries)	0	4	4
6 (appropriate administrative structures and resources)	0	1	1
7 (free conditions of exercising LG duties)	0	1	1
8 (administrative supervision of LG)	0	1	1
9 (Financial resources of local authorities)	0	5	5
10 (Local authorities' right to associate)	0	0	0
11 (Legal protection of LG)	0	3	3
Total	4	27	33

Source: Own calculation on the basis of data selected from the official database of the Constitutional Tribunal, Lex searching engine.

Except for the Article 10, all the substantive articles of the Charter were invoked in the proceedings before the CT. However, only Articles 3 and 4 concerning the definition of LG and scope of its competences served as the 'effective' pattern for striking down the laws. It must be underlined that never in the history of the Tribunal the Charter was applied as the only pattern of the motion against the questioned legal act – it was always accompanied by the articles of the Constitution. E.g., in case, in which the Tribunal investigated the law on the municipal police, it was found inconsistent both with the Articles 15, 16 and 164 Constitution, which refer to the principle of local autonomy and Articles 3 and 4 of Charter (Judgment 38/97, 4 May 1998). It is also striking that none of relatively numerous trials to strike down the law with reference to the Article 9, which establishes the rules concerning the financial autonomy was successful, including cases concerning the unfair financial equalization procedures (Judgment K 13/11, 4 March 2013) and financing of the teachers' pensions (Judgment K 27/05, 18 September 2005).

⁵ The number of the references is higher than the number of cases (Table 1 and 2) because in some cases more than one article was referred to.

Article 4, protecting the local government units' geographical boundaries did not prove its efficiency before the Tribunal in the cases concerning the government's decisions concerning the change of the boundaries despite the negative opinion of one of the LGs involved (Judgment K 01/03, 4 November 2003).

Table 4. Articles of Charter referred to in judgments of the administrative courts⁶

Article	positive⁷	Semi-positive	negative	Total
3 (concept of local self-government)	28	16	20	64
4 (scope of local self-government)	8	1	23	32
5 (Protection of local authority boundaries)	2	0	1	3
6 (appropriate administrative structures and resources)	1	15	4	20
7 (free conditions of exercising LG duties)	1	0	2	3
8 (administrative supervision of LG)	32	20	3	55
9 (Financial resources of local authorities)	4	0	13	17
10 (Local authorities' right to associate)	0	0	0	0
11 (Legal protection of LG)	7	0	0	7
Total	83	52	66	201

Source: Own calculation on the basis of data selected from the official database of administrative courts, Lex searching engine.

Same as in the CT's practice, administrative courts referred to all the substantive articles of the Charter apart from the Article 10. Among 166 examined verdicts, no judgment was found in which the norm derived from the Charter was the only legal basis. However not always it was invoked in conjunction with the Polish constitution and statutes. In several cases the Charter's principles were invoked separately from other legal basis of the motions and judgments. Contrary to the practice of the constitutional court, the second

⁶ The number of the references is higher than the number of cases (Table 1 and 2) because in some cases more than one article was referred to.

⁷ As 'positive' were classified the references in verdicts in which all the requests of LG's were upheld, as 'negative' – those in which they were overruled, as 'semi-positive' in which they were partially upheld partially overruled.

most frequently invoked regulation was Article 8 defining the rules of the supervision of local authorities. It is understandable if we consider the nature of the cases before the administrative courts which, as mentioned above, usually concern the supervision and the LGs' charges against the supervisory authorities based on exceeding of their competences. Important issue in this matter was the principle of the proportionality of supervision enshrined in Article 8.3. of the Charter, not explicitly expressed in Polish internal legal acts including Constitution (e.g. Judgments II SA/Kr 862/18, 19 September 2018, RAC in Cracow, II SA/Bk 159/07, 12 April 2007, RAC in Białystok).

In recent years, the new phenomenon of referring to the Article 11 of Charter concerning the legal (esp. judicial) protection of LG emerged. It is caused by the Article 6c of the Decommunization Act which excluded the possibility of the appeal to the administrative court in case of the Order of voivode changing the name of street. In the series of judgments administrative courts found this legal provision unconstitutional and inconsistent with the Charter (e.g. Judgments II SA/Po 843/18, 17 January 2019, RAC in Poznań, III SA/Gd, 29 March 2018, RAC in Gdańsk, II SA/Bd 432/18, 29 May 2018 RAC in Bydgoszcz). The Articles 3 and 4 were referred to mostly in order to balance the values of the presumption of competence of the LGs and its obligation to act within the scope of the law. There were also several cases won by the LGs concerning their financial autonomy and defense of their geographical boundaries, although most of such cases were decided in favor of the organs of the administrative supervision.

Table 5. Articles of Charter referred to in the supervisory decisions of the voivodes and Regional Audit Chambers

Article	Number of decisions
3 (concept of local self-government)	12
4 (scope of local self-government)	24
5 (Protection of local authority boundaries)	1
6 (appropriate administrative structures and resources)	0
7 (free conditions of exercising LG duties)	4
8 (administrative supervision of LG)	7
9 (Financial resources of local authorities)	1
10 (Local authorities' right to associate)	0
11 (Legal protection of LG)	11
Total	60

Source: Own calculation on the basis of data selected from Lex search engine.

The pattern of use of the certain articles of the Charter in the administrative supervisory decisions was similar to the one of the administrative courts. Crucial principles of the Charter invoked by the voivodes were Articles 3 and 4 referring to the essence of the legal construction of the LGs' competences and Article 8 concerning the scope of the supervision. Although there is 'disproportionally' high use of Article 11, it was always invoked in conjunction with Article 4 in reasoning concerning the scope of the competences of the LGs. E.g., the voivode of Mazowieckie Region (Warsaw) issued a series of decisions based on these norms concerning the spatial planning, pointing out that the local autonomy is not absolute and must not exceed the its legal borders (e.g., Supervisory Decision of the voivode of Mazowieckie (Warsaw), LEX-I.4131.70.2015.MO, 28 April 2015).

3.2 Results of qualitative research

In this subchapter the three predominant patterns of the use of the Charter detected during the research are subjected to more in-depth, qualitative analysis. Those problems are the proportionality of supervision on the grounds of the Article 8.3 of Charter, the question of legal protection of LG on the basis of the Article 11 and the issue of the tension of the principle of legality of the LGs' actions and its presumption of competences connected to the Articles 3 and 4 of the Charter.

3.2.1 Principle of proportionality of supervision

Qualitative research has shown that in roughly one third of cases before the administrative courts and in numerous cases before the organs of administrative supervision, the Article 8 of Charter, which defines the scope of the administrative supervision of LG, was referred to. It should be regarded as the original input of the Polish legal practice to the understanding of the Charter, as Tanasescu and Moreno do not mention any case in which this Article was relied upon. The Article sets limits to the administrative supervision and states that it should be based only on the procedures provided by the constitution or statute (8.1.); should aim at ensuring compliance with law and constitution (8.2.); and should be exercised 'in such a way that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect' (8.3.). The expediency-based supervision is banned by Article 171 of the Polish Constitution.

The last section plays an important role in the practice of Polish legal practice as it has not an exact equivalent in Polish internal law. The principle of proportionality is not expressed in the Polish constitution. It is only implicitly and not precisely expressed in the laws on the local government, in which it is only stated that if the act of LG violates the law in 'insignificant way', the supervisory authority shall not quash it (Article 91.3. of Act on Local Government). Therefore, the Article 8.3. of Charter seems to be a useful instrument both for the organs exercising the supervision and the courts verifying the way in which the supervision is carried out.

The principle of proportionality was referred to in 34 cases before the administrative courts. In as many as 28 (82%) of them the result was positive or semi-positive from the viewpoint of the LGs. This is a significantly higher rate than in the whole population (see above). Moreover, in the two third of cases (23) the article was invoked by the court *ex officio*. It seems then that the clause of proportionality serves as a useful tool for the administrative court to decide 'hard cases' concerning the supervision in favor of the LGs. E.g., the voivode of Podlaskie Region (Białystok) quashed the financial act of LG on the grounds that the majority of the councilors who vote in favor of it, took oath of office in an improper way (they did not read aloud whole the text of the oath, but only said the words 'I swear, so help me God' after reading the oath by the other councilors). The RAC found such a supervisory intervention extensive and unproportioned (Judgment II SA/Bk 205/07, 17 April 2007, RAC in Białystok). In the series of judgments, the RAC in Krakow rejected as disproportional demands of the prosecutors to strike downs the Local Schemes on the Protection of the Homeless Animals on the grounds that they do not indicate the concrete vet responsible for the care over such animals but only contract a firm whose task is to ensure such care (e.g., Judgment II SA/Kr 1036/17, 11. October 2017, RAC in Cracow).

In landmark judgment, the RAC in Gliwice dismissed the complaint of the inhabitant of the commune on the local spatial planning act on the grounds that the act concerned the area where the plot of land was owned by the family of one of the councilors. The court indicated that in fact it was a breach of the rule that the councilor cannot vote in the case in which his own interest is at stake. However, it stated that striking down the act would be disproportionate because of two factors: one is that the vote of the mentioned councilor was not decisive, and the act was passed by the overwhelming majority; second is that 'from the files it is evident that the plan enjoyed a huge public popularity (Judgment II SA/Gl 877/18, 26 November 2018, RAC in Gliwice).

In voivodes' practice the Article 8.3. was invoked too. In several decisions the Article 8.3. (principle of proportionality of supervision) was referred to in order to state that however the LG's act infringed the law, the infringement was so insignificant that it is not enough to quash the act (Supervisory Decision KN.I-4131.2.17.2012.4, 31 May 2012, Voivode of Wielkopolskie (Poznań) Region).

On the other hand, the Mazovia voivode in the supervisory decision quashing the act on the local referendum in Warsaw concerning the government's plans to broaden the city's administrative borders invoked the rule of proportionality as the argument in supporting his decision. He justified it by stating that 'the Warsaw's city council's act is not only contrary to the law, but also would cause noticeable financial effects which are unnecessary, as the citizens of Warsaw did not expect such a referendum (Supervisory Decision LEX-I.4131.45.2017, 9 March 2017, Voivode of Mazovia (Warsaw) Region).

3.2.2 Legal Protection of Local Government

Another important trend in the direct application of the Charter is the reference to its Article 11, which provides the local authorities with the 'right of recourse to a judicial remedy in order to secure free exercise of their powers and respect for such principles of local self-government as are enshrined in the constitution or domestic legislation.'

This article started to be applied in practice not earlier than in 2018, when the administrative courts faced the wave of the complaints of the LGs against the decisions of voivodes who, on the grounds of the Decommunization Act, changed the names of streets which, in their view, 'promoted the communist system'. Moreover, the Article 6c of the Act effectively forbade the LGs from filing motions against such decision to the administrative courts. This provoked LGs to base their complaints against the decisions solely on the provisions of Charter and Constitution. The administrative courts in every verdict issued in this subject agreed with the LG's arguments. E.g., RAC in Poznań explicitly indicated that 'the essence of the Article 6c of the Decommunization Act is in simple contradiction with the Article 165.2 of the Constitution and Article 11 of the Charter which leads the Court to the direct application of the Constitution and Charter' (Judgment II SA Po/843, 17 January 2019, RAC in Poznań) Similar reasoning was presented in the judgments of the courts in Gdańsk and Łódź. Numerous courts shared this view but without naming explicitly the Charter.

The Supreme Administrative Court applied Article 11 in the case concerning the complaint of the LG against the negative opinion of the curator of education (nominated by the minister of education) concerning the organization of schools in the city. The court stated that the lack of the possibility of the appeal to the court would be the violation of the Charter. It is worth to note that the court applied this article autonomously, without conjunction with the constitutional principle (Judgment I OSK 2480/17, 20 April 2018, SAC).

3.2.3 Scope of local autonomy/presumption of the competences

The articles of Charter, which are most frequently referred to in the judgments and decisions are the Articles 3 and 4. They entail, *inter alia*, the definition of local self-government as 'the right and the ability of local authorities to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population' (Article 3.1.) as well as the assertion that the powers and responsibilities of the LGs shall be prescribed by the constitution and law (Article 4.1.), and the clause of the presumption of the competences in the matters 'which are not excluded from their competence.' (Article 4.2.) Those norms create a sort of a natural tension between the basic principle of the rule of law that any action of public authority should have legal basis (enshrined also in Article 7 of Polish Constitution) and the principle of presumption of competences of LGs when it comes to the local affairs (Article 163 of Polish Constitution as well as the Article 6 and Article 7 of the Act on the Local Government). This dilemma was explicitly described e.g., in the Judgment III SA/Lu 335/13, RAC in Lublin of 24 September 2013.

It is also reflected in the judiciary based on the Articles 3 and 4 of the Charter. In majority of such cases the courts firmly follow the 'legalistic' way of understanding of the scope of the local self-government and underline that its autonomy is not absolute and should be exercised within the limits of law. Such approach was presented e.g., by the Court in Gorzów Wielkopolski, which found the Local Act on the Alcohol Sale unlawful because it forbade the sale of the alcohol in such a non-fixed points with no exact statutory authorization even though the LG's resolution aimed at fulfilling the law's intention (Judgment II SA/go 282/14, 14 May 2014, RAC in Gorzów Wielkopolski). There are plenty of verdicts based on such philosophy concerning such issues as e.g., budgeting (e.g., Judgment IV SA/Wa 1059/07, 19 March 2007, RAC in Warsaw), private law obligations of LGs (e.g., Judgment II SA 710/12, 3. August 2012, RAC in Gliwice) or salaries of LG employees (e.g., Judgment IV SA/Wr 279/07, 18 July 2008, RAC in Wrocław).

On the other hand, in several judgments another concept of the presumption of competences of LGs prevailed. As example of such reasoning may serve a series of judgements of the court in Olsztyn in which, contrary to the motion by the prosecutor, numerous clauses of the LG acts concerning the rules of functioning of its auxiliary entity of LG (sołectwo) were upheld (e.g. Judgment II SA/Ol 712/15, 29 September 2015, RAC in Olsztyn). Similar judgment was issued by the court in Wrocław, in the case concerning the local spatial planning act in the context of the rules on the localization of the wind power plants. Voivode stated that the regulation of the plan was too flexible. However, the court was of another opinion saying that LG is free to choose the method of regulation in the plan because of its presumption of competences stemming from the Article 3 of the Charter (Judgment II SA/Wr 129/10, 30 June 2010, RAC in Wrocław).

4 Discussion

This research has shown that the European Charter of Local Self-Government seems to have a potential of being an important tool in protecting the LG's autonomy in Poland in terms of the recentralization tendencies. There are numerous cases of its effective application in the proceedings before the courts and organs of public administration. It is a noticeable fact that in the proceedings before the administrative courts in which the Charter is referred to, the LGs are roughly twice as likely to win as in the average case against the supervisory organ of central administration. Although the number of cases in which the Charter is invoked is much higher than in the cases described by Tanasescu and Moreno, it is still low when compared to the general number of court and administrative cases in which the LGs take part.

Among the regulations of the Charter most frequently invoked in the caselaw are the articles which, according to report by Baro Riba and Mangin, are not respected in Poland, i.e., Articles 4, 8 and 9. These findings may serve as a confirmation of the fact that the local authorities and courts understand those provisions as violated or at least endangered by the central government's

representatives' actions. However, only in the case of Article 8 most of the judgments give positive or semi-positive results from the point of view of local authorities. To the contrary, Article 9 safeguarding the financial independence of the local authorities seems not to be effective legal instrument.

Contrary to the findings of Tananescu and Moreno, the Charter was applied both by the CT and the administrative courts. In the caselaw of the latter it was treated in a more autonomous way and proved to be more effective. Although it was not applied as the only legal basis in any judgment, in numerous judgments it played a crucial role in the legal reasoning of the administrative courts. In some of them it was even applied without conjunction with the Polish Constitution. It is also worthy of approval that in most cases before the administrative courts apply the Charter *ex officio*, without the request of the party. It seems to be outstanding when compared to the practice in other countries and is a sign of extraordinary conscience of international standards among the judges of this type of courts.

As specific input of Polish legal practice to the understanding of the Charter and its practical application should be seen the case-law concerning the principle of proportionality of the supervision of the LGs, which was crucial in quashing several dozens of the disproportional supervisory decisions. The doctrine of proportionality developed in some judgments is original and inspiring as it includes e.g., considering the public opinion when assessing the LGs' acts and not taking legalistic view on the scope of its competences. It is of great importance if we take in consideration the just view that any form of supervision of LG's actions should be carefully analyzed as it may threaten the very essence of the local autonomy (Moreno, 2012, p. 20). This way of applying the Charter may be also considered within the broader discussion concerning the proportionality seen as the cornerstone of 'culture of justification' in exercising the administrative power as opposed to 'culture of authority' (Gardbaum, 2014, p. 4).

From the point of view of the essence of the Local Government the question of the character of the legal basis required for its organs to issue administrative acts is crucial. It seems that on the grounds of Article 3 and 4 two types of jurisprudence have been developed. One, more 'legalistic' states that for any act of local government the specific legal basis is needed. The other, more 'liberal' points out that the principle of the presumption of competences should prevail and LG should exercise its autonomy freely if the law does not forbid it. Those tendencies fit with the two approaches of regulation the LG's discretionary powers described in the contemporary commentary to the Article 4.2. of the Chapter (Wienen, 2020, p. 18). In recent years there were cases in which the Article 11 guaranteeing the legal and judicial protection of LG served as the single or predominant legal basis for not applying the statutory rule limiting the LG's access to the court.

5 Conclusion

To conclude, it should be stated that the meaning of the Charter as an instrument of protection of local autonomy is important. However, the scale of applying the principles of the Charter in the court and administrative proceedings still could be higher. The original input of Polish legal practice to the understanding of the Charter is esp. the broad application of the principle of proportionality of administrative supervision of Local Governments, the dual understanding of the Articles 3 and 4 in terms of the legal basis required for issuing the administrative acts of LG and the firm application of the Article 11 concerning the legal protection of LG. The Charter was present in jurisprudence of all types of courts of last resort, however the landmark judgments based on this treaty were issued only by the administrative courts resolving the disputes over the supervision of Local Governments exercised by the administrative organs subordinate to government.

Research brings ambiguous conclusions from the point of view of the general condition of the local autonomy in the Polish local government system. On the one hand, the growing scale of the application of Charter *ex officio* by the administrative courts, especially in the cases concerning the supervisory acts, proves that the local autonomy is endangered by the central governments' representatives' actions. On the other hand, the innovative application of the Charter's articles which had not been previously triggered such as the Article 10 referring to the legal protection, prove that the relevant institutions of the judiciary branch of government are ready to respond to new threats to local autonomy. Therefore, the situation is far from being unequivocal and Poland might be seen as the battleground state from the point of view of the struggle between the recentralization policies and strong local resistance to them.

This paper may serve as an invitation to carry out more in-depth empirical studies of the administrative and judicial practice concerning the application of the Charter in other countries of the Council of Europe. Only by conducting such research it shall be possible to obtain a realistic view of the meaning of Charter in the legal systems of the states which ratified the treaty, because the words of the classic of the legal realism that 'the distinction between legal theory and judicial administration is often a very real and a very deep one' (Pound, 1910, p. 15) seem to be true to this day.

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Ordinary courts: <<https://orzeczenia.ms.gov.pl/>>

Supreme Court: <http://www.sn.pl/orzecznictwo/sitepages/baza_orzeczen.aspx>

Povzetki

(Summaries in Slovenian Language)

1. Vpliv digitalizacije na javno upravo, gospodarski razvoj in blaginjo v državah EU

Androniceanu Armenia, Georgescu Irina, Sabie Oana-Matilda

Namen: V zadnjih letih je digitalizacija gonilo sprememb pri ustvarjanju delovnih mest in povečevanju gospodarske rasti, vendar v vseh državah in panogah ne poteka enakomerno. Prispevek izpostavlja dejavnike, ki vplivajo na gospodarski razvoj in blaginjo v državah EU. Njegov namen je prikazati razvoj držav EU z vidika digitalne preobrazbe ter kako so drugi kazalniki, kot so e-uprava, indeks človekovega razvoja, produktivnost dela in gospodarska rast, vplivali na blaginjo v državah EU v obdobju 2019–2021.

Zasnova/Metodologija/Pristop: Podatki temeljijo na 15 numeričnih kazalnikih, pridobljenih iz podatkovnih zbirk Eurostata in Svetovne banke. Uporabljen je analiza glavnih komponent in analiza po metodi razvrščanja v skupine.

Ugotovitve in vpliv v praksi: Glavni rezultati raziskave kažejo, da v prvi dimenziji, imenovani vpliv inovacij na blaginjo, prevladujejo e-uprava, delež strokovnjakov za IKT, uporaba interneta med posamezniki, indeks človekovega razvoja, indeks digitalizacije, kazalnik sreče, človeški kapital in vključevanje digitalne tehnologije. Za drugo dimenzijo so značilni državni izdatki in produktivnost. V tretji dimenziji prevladuje stopnja rasti BDP. S prvimi tremi glavnimi komponentami je pojasnjenih 77,67 % celotne variance.

Izvirnost: Z algoritmom za razvrščanje v skupine K-Means so bili določene štiri skupine. Na prvem mestu je skupina št. 1, ki vključuje tri nordijske države, sledita skupina št. 3 z razvitimi državami in skupina št. 4 z gospodarstvi v vzponu.

Ključne besede: javna uprava, digitalizacija, gospodarska rast, blaginja

2. Pomen prosocialnih vrednot za delovno motivacijo zaposlenih v javnem in zasebnem sektorju

Eglė Vaidelytė, Vaidas Morkevičius, Eglė Butkevičienė, Michiel S. de Vries

Namen: Prispevek predlaga alternativo za merjenje pomena prosocialnih vrednot za delovno motivacijo zaposlenih v javnem in zasebnem sektorju. Doseganje raziskave pomen vrednot merijo tako, da jih obravnavajo kot samostojne vrednote ali pa uporabljajo faktorski poskus, kjer zaposlene sprašujejo, ali se zavzemajo za določeno vrednoto ali ne.

Zasnova/Metodologija/Pristop: Na podlagi psihološke teorije o vrednotah in motivaciji prispevek predlaga, da bi bilo za oceno stopnje prevlade prosocialnih vrednot najprimerneje meriti pomen prosocialnih vrednot glede na ostale motivacijske dejavnike v vrednostnem sistemu.

Ugotovitve: Uporaba takšnega merila v longitudinalni in mednarodni primerjalni analizi je pokazala, da se zaradi razlik v pomenu prosocialnih vrednot zaposleni v javnem in zasebnem sektorju veliko bolj razlikujejo kot doslej navedeno v literaturi. Ta ugotovitev drži tudi, če v raziskovalni model vključimo naravo delovnega mesta, značilnosti posameznika in družbene značilnosti, kot sta BDP na prebivalca in prevlada individualizma nad kolektivismom.

Pomen: Raziskava tudi kaže, da so razlike med zaposlenimi, ki jih motivirajo notranji, zunanji in prosocialni dejavniki, relativne, saj skoraj vsi zaposleni – ne glede na to, kje delajo – kot najpomembnejša motivacijska dejavnika pri delu navajajo varnost zaposlitve in zanimivo delo.

Ključne besede: prosocialne vrednote, delovna motivacija, primerjalna analiza, Mednarodna splošna družboslovna anketa (ISSP)

3. Pregled literature o dejavnikih, ki vplivajo na stroške izpolnjevanja obveznosti iz okoljske regulative in produktivnost podjetij

Lenart Milan Lah, Žiga Kotnik

Namen: Namen prispevka je s pomočjo pregleda literature opredeliti potencialne dejavnike, ki vplivajo na relativno višino stroškov izpolnjevanja obveznosti iz okoljske regulative, in predlagati konceptualni celostni model posrednega vpliva teh dejavnikov na produktivnost podjetij. V literaturi je bila povezava med stroški izpolnjevanja obveznosti iz okoljske regulative in produktivnostjo podjetij preverjena v okviru tako imenovane Porterjeve hipoteze.

Zasnova/Metodologija/Pristop: V prispevku sta uporabljeni metodi integrativnega pregleda znanstvene literature in kvalitativne raziskave s študijo dokumentov.

Ugotovitve: Rezultati ponujajo več ključnih ugotovitev. Prvič, ugotovljene potencialne dejavnike lahko razdelimo na dve glavni kategoriji, in sicer na notranje dejavnike (velikost, sektor, starost, okoljska ozaveščenost itd.) in zunanje dejavnike (ustreznost okoljskih predpisov za podjetja, spodbujevalni ukrepi na okoljskem področju, kakovost institucij itd.). In drugič, obsežna navedba stroškov izpolnjevanja obveznosti v okviru kazalnikov strogosti okoljske regulative nakazuje, da lahko relativna višina omenjenih stroškov pomembno vpliva na produktivnost podjetij.

Vpliv v praksi: Opredelitev dejavnikov, ki vplivajo na višino stroškov izpolnjevanja obveznosti iz okoljske regulative, snovalcem politik nudi dragocen vpogled v izvajanje okoljskih predpisov in njihovo večjo učinkovitost, na ra-

čun katere pa ti ne smejo predstavljati prevelikega bremena za nekatere vrste podjetij.

Izvirnost/Pomen: Iz pregleda literature o stroških izpolnjevanja obveznosti iz okoljske regulative izhaja, da doslej še nobena študija ni celovito obravnavala vseh možnih dejavnikov, ki vplivajo na relativno višino teh stroškov za podjetja.

Ključne besede: stroški izpolnjevanja obveznosti iz okoljske regulative, okoljska regulativa, produktivnost, Porterjeva hipoteza, digitalna zrelost

4. Izboljšanje transparentnosti proračunskega procesa za učinkovito in trajnostno upravljanje

Tatjana Stanimirović

Namen: Koncept trajnostnega razvoja predvideva vključevanje državljanov v proračunski proces. Pandemija covid-19 in njene posledice so pomen udeležbe državljanov še dodatno potrdile, zato je namen prispevka oceniti stopnjo zanimanja za proračunska vprašanja in razloge za stagnacijo na področju transparentnosti proračunskega procesa v Sloveniji, ki jo Sloveniji pripisuje raziskava Open Budget Index (OBI).

Zasnova/Metodologija/Pristop: Študija temelji na kombinaciji namiznega raziskovanja in ankete, izvedene med zaposlenimi, ki se v organizacijah javnega sektorja neposredno ali posredno ukvarjajo z vprašanji javnih financ. Statistična analiza temelji na 251 v celoti izpolnjenih anketah.

Ugotovitve: Rezultati potrjujejo pomanjkanje politične volje kot glavno oviro za stagnacijo na področju transparentnosti proračunskega procesa v zadnjih letih. Večje kot je med anketiranci zanimanje za transparentnost proračuna, večja je verjetnost, da politično voljo prepoznajo kot pomembno oviro.

Akademski prispevek k znanstvenem področju: Ugotovitve članka prispevajo k izločitvi in morebitnemu nadaljnjemu razvoju dejavnikov, ki vplivajo na transparentnost državnega proračuna.

Izvirnost: Članek je pionirski poskus proučevanja transparentnosti državnega proračuna v Sloveniji, rezultati pa so primerljivi z drugimi državami EU.

Ključne besede: transparentnost, proračun, odgovornost, ovire

5. Napredek na področju preglednosti in pravice do dostopa do informacij na češkem – razvoj v razlagi spornih zakonskih določb

Jana Janderová

Namen: Članek obravnava razvoj preglednosti v okviru češke javne uprave od devetdesetih let prejšnjega stoletja dalje. Preglednost, ki je subtilno prepletena z odgovornostjo, spodbuja demokracijo in prispeva k preprečevanju zlorab

ali drugih oblik nezakonitega ravnanja s strani oblasti. Pravico do dostopa do informacij je treba zato razlagati dovolj široko, hkrati pa je treba spoštovati tudi druge pravice, kot sta zasebnost ali poslovna skrivnost. Članek pojasnjuje ravnovesje med omenjenimi pravicami, doseženo skozi dolgoletno sodno prakso, analizira napredek v stališčih sodišč in posledične izboljšave v upravnih praksi ter proučuje razmerje med pravico do obveščenosti in odgovornostjo.

Zasnova/metodologija/pristop: Avtorica proučuje ključne določbe Zakona o prostem dostopu do informacij. Na podlagi analize razlag českega vrhovnega upravnega sodišča in českega ustavnega sodišča glede najbolj spornih vprašanj – npr. katere javne institucije so zavezanci, izjeme od obveznosti posredovanja informacij, pravna sredstva in plačila za zapleteno iskanje podatkov – članek prikazuje razvoj v zadnjih 23 letih ter opredeljuje povezavo med rezultati analize, tj. potrjenim napredkom, in odgovornostjo upravnih organov, ki naj bi, teoretično, iz njega izhajala.

Ugotovitve: Sodna praksa glede razlage posameznih zakonskih določb je precej naklonjena širokemu dostopu do informacij ter omejuje izjeme in druge ovire. Vendar pa avtorica ugotavlja, da je za poln izkoristek vseh pridobitev na področju prostega dostopa do informacij, ki jih je prinesla skrbno argumentirana sodna praksa in poznejše izboljšave pristopa z zavezanci, pozornost treba posvetiti tudi posledični odgovornosti.

Akademski prispevek k znanstvenem področju: Študija z obravnavo praktične uporabe zakonov na področju preglednosti prispeva k upravni znanosti ter prikazuje pomen dovolj široke razlage pravice do dostopa do informacij, da lahko uravnoteži druge pravice, kot je npr. pravica do zasebnosti. Prispevek s tem zagotavlja izhodišče za nadaljnje raziskave posledične odgovornosti.

Izvirnost/pomen/vrednost: Članek ponuja pregled razvoja sodne prakse glede razlage spornih zakonskih določb. Opredeljene so vrzeli med napredkom pri izvajanju načela preglednosti in iz njega (teoretično) izhajajoče odgovornosti.

Ključne besede: dostop do informacij, dobro upravljanje, človekove pravice, odprlost, preglednost, pravna država

6. Poenostavitev in elektronizacija upravnih postopkov v državah višegrajske skupine – sociološki in pravni pristop

Beniamin Rozczyński

Namen: Namen raziskave je bil proučiti sociološka vprašanja, povezana z biografsko izkušnjo udeleženca v upravnem postopku v državah Višegrajske skupine (dojemanje organov javne uprave in njihove organizacije, trenutne zahteve javnosti na področju delovanja javne uprave, zagotavljanje ustreznih materialnih in nematerialnih orodij za uradnike). Sekundarni cilj raziskave je bil opredeliti naravo, pomen, posledice in obliko celovite posodobitve obstoječih poenostavitev upravnega postopka (avtor razume pojem poenostavitve upravnega postopka kot »od splošnega upravnega postopka ločen upravni postopek, za

katerega je značilna poenostavitev splošnih normativnih rešitev«). Ker pojem »elektronizacija upravnega postopka« ne vključuje v celoti pojma »poenostavitev upravnega postopka«, se je raziskava nanašala na dve medsebojno dopolnjujoči se področji upravnega postopka (razmerja med njima, tudi z določitvijo skupnih in ločenih korakov elektronizacije upravnega postopka, npr. v okviru vodenja in izdajanja spisov v elektronski obliki). Predstavljene so bile tudi rešitve v okviru poenostavitve in elektronizacije upravnih postopkov v državah skupine V4, in sicer v institucionalnem, subjektivnem in objektivnem smislu.

Zasnova/metodologija/pristop: Za uresničitev raziskovalnih predpostavk je bila uporabljena metoda analize domačih in tujih pravnih besedil (splošna pravna ureditev upravnega postopka, ki jo predstavljajo zakoni o upravnem postopku in predpisi, povezani s covidom-19, v državah skupine V4). Empirična raziskava z uporabo socioloških raziskovalnih metod je bila opravljena v povezavi z analizo trenutno izvedenih poenostavitev [avtor v prispevku uporablja tako kvalitativne metode – individualne poglobljene intervjuje z odraslimi prebivalci z biografsko izkušnjo udeleženca upravnega postopka (20 odraslih – po 5 iz vsake države iz skupine V4) kot kvantitativne metode – spletne ankete z udeleženci upravnega postopka (120 odraslih – po 30 iz vsake države iz skupine V4)]. Z uporabo statistične metode je bila učinkovitost prikazana učinkovitost obstoječega upravnega postopka in podan odgovor na vprašanja o upravičenosti razvoja ideje o upravni poenostavitvi.

Ugotovitve: Analiza je pokazala, da v državah V4 o naprednem razvoju upravnega postopka še ni mogoče govoriti. Zamujanje javne uprave pri uporabi rešitev za poenostavitev upravnega postopka je predvsem posledica nejasnih predpisov in potrebnih finančnih izdatkov. Navedeno stanje negativno vpliva ne le na stranke, ki sodelujejo v postopku, temveč tudi na organe javne uprave in upravna sodišča.

Vpliv v praksi/izvirnost/vrednost: Proces poenostavitve in elektronizacije upravnega postopka mora vselej temeljiti na celovitih zakonskih rešitvah, ki bodo omogočile učinkovito in uspešno delovanje organov javne uprave, na drugi strani pa posameznikom zagotovile uresničevanje njihovih temeljnih pravic. V prispevku so zato predstavljene aktualne težave, povezane s potekom upravnega postopka, in primeri njihovih rešitev.

Ključne besede: elektronsko komuniciranje, digitalizacija javne uprave, dobra uprava, nove tehnologije, načelo hitrosti postopka, javna uprava v državah V4

7. Združevanje in lokalne finance: študija primera Ukrajine

Glen Wright, Sergii Slukhai, Bohdan Yakymchuk

Namen: Namen članka je izmeriti učinek prostovoljnega združevanja, tj. pristopa, ki je bil v Ukrajini uporabljen v petletnem obdobju izvajanja decentralizacije, in oceniti, kako uspešne so bile te reforme pri izboljšanju fiskalnega položaja lokalnih oblasti. Ukrajina je leta 2015 končno zagnala dolgo odlašani

proces decentralizacije, ki je potekal kot prostovoljno združevanje s poudarkom na okrepitvi fiskalnih virov združenih enot. Decentralizacija je temeljila na treh stebrih: (1) prostovoljno združevanje teritorialnih enot, (2) krepitev finančnih virov s prihodki iz lastnih virov in subvencijami za infrastrukturo ter (3) medobčinsko sodelovanje za izboljšano izvajanje storitev.

Metodologija: Za merjenje vpliva politike združevanja na združene teritorialne enote je bila analizirana časovna vrsta fiskalnih podatkov iz združenih teritorialnih skupnosti v izbranih ukrajinskih regijah.

Ugotovitve: Analiza statističnih podatkov ni pokazala fiskalnih izboljšav, ki so jih pričakovale združene teritorialne enote, in zdi se, da uporaba pristopa prostovoljnega združevanja ni privedla do bistvenega izboljšanja financ lokalnih oblasti. Glede na posamezne segmente prebivalstva in dostop do finančnih virov so bile ugotovljene velike razlike med regijami ter med mestom in podeželjem.

Akademski prispevek k znanstvenem področju: Medtem ko je bilo opravljenih že precej raziskav o vplivu spojitve ali združevanja lokalnih oblasti, pa so raziskave o prostovoljnem pristopu k združevanju zelo skromne.

Namen te raziskave je odpraviti ta manko in dokazati prednosti prostovoljnega združevanja pred obveznim.

Pomen: Študija je raziskovalno delo, ki ponuja edinstveno priložnost za merjenje vpliva procesa združevanja v Ukrajini v petletnem obdobju na podlagi prostovoljnega združevanja in za presojo, kako uspešno so bili ta pristop in spremljajoče politike pri izboljšanju fiskalnega položaja lokalnih oblasti.

Ključne besede: *združene teritorialne skupnosti, fiskalna decentralizacija, prostovoljno združevanje, fiskalno izenačevanje*

8. Ali je Evropska listina lokalne samouprave učinkovit instrument za zaščito lokalne avtonomije na Poljskem?

Stanisław Zakroczyński

Namen: Članek skuša ugotoviti, ali je Evropska listina lokalne samouprave v praksi učinkovit instrument za zaščito avtonomije lokalne samouprave na Poljskem, ter opredeliti prispevek poljske sodne in upravne prakse k razumevanju njenih načel. Dodatno teži obravnavani tematiki daje politični kontekst. Poljska je dolga leta veljala za vzorno, lokalni avtonomiji naklonjeno državo, vendar vladne politike v zadnjem času vse bolj izkazujejo težnje po ponovni centralizaciji.

Zasnova/metodologija/pristop: Študija temelji na kvalitativni in kvantitativni empirični raziskavi sodne in upravne prakse z elementi analize doktrine.

Ugotovitve: Listina nastopa v sodni praksi ustavnega sodišča (22 sodb), upravnih sodišč (166) in organov javne uprave, ki nadzorujejo lokalno samoupravo

(49). V primerjavi z drugimi državami Sveta Evrope gre za zelo veliko število sodb. Zdi se, da so v zadevah, v katerih se sklicujejo na Listino, upravna sodišča bolj pripravljena odločati v korist lokalne samouprave.

Akademski prispevek k znanstvenem področju: Posebnost uresničevanja Listine na Poljskem je pogosta uporaba načela sorazmernosti pri nadzoru lokalne samouprave, ki sodiščem služi kot odlično orodje za reševanje »težkih primerov« med lokalno samoupravo in državnimi upravnimi organi. Več pomembnih sodb je na podlagi člena 11 o pravnem varstvu lokalne samouprave učinkovito razveljavilo zakon, ki v določenih primerih omejuje dostop lokalne samouprave do sodišč.

Vpliv v praksi: Študija je lahko koristna za predstavnike lokalnih oblasti pri oblikovanju strategij za sodne postopke, zlasti v sporih z državnimi organi.

Izvirnost/vrednost: Študija je prva celovita empirična raziskava uporabe Listine v pravni praksi neke države. Prikazuje izvirne načine praktične uporabe Listine, ki doslej v literaturi niso bili opisani.

Ključne besede: *Evropska listina lokalne samouprave, lokalna samouprava, upravna sodišča, nadzor nad lokalno samoupravo, lokalna avtonomija*

AUTHOR GUIDELINES

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In March 2020, CEPAR started to cooperate in the pilot project organised by Research Data Alliance Node Slovenia (RDA Node). The project aims to support scientific publishers and journals based in Slovenia in introducing research data citations in scientific publications and the open access to primary data in their policies. In this context, RDA Node has developed draft Guidelines for the implementation of scientific publishing policies, based on existing international frameworks and recommendations.¹

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Access to research data meets interests of various stakeholders in scientific publishing. Among others, such an approach enhances sound research in submitted manuscripts since data are transparent and can be reviewed and further referred to. In addition, it increases citations of published articles, and enables easier and broader knowledge dissemination, particularly when research is publicly co-financed. Hence, European Union and national research agencies enforce these principles through Open Science initiatives and assessments; however, also taking into account necessary exceptions.

¹ <https://zenodo.org/record/3757282#.XrLHLGj7SM8>

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Directive 7/23/EC, OJ L 181, 9.7.1997, p. 1.

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