

# **PUBLIC ADMINISTRATION REFORMS IN TRANSITION COUNTRIES: ALBANIA AND ROMANIA BETWEEN THE WEBERIAN MODEL AND THE NEW PUBLIC MANAGEMENT**

## **Abstract**

A general trend is easily observable in the literature on public administration reforms in post-communist countries and it consists in analyses of the degree of adoption and success of the New Public Management (NPM) model. Relevant implementation gaps for some levels as well as areas of reform, which cannot be ascribed to the NPM in these countries, are highlighted. The combination of these two features – also common, and not by accident, to other Continental European countries – may well be read as the adoption of a modernization framework different from the NPM, which some authors have come to recognize as the New Weberianism.

Nonetheless, both models are not sufficiently developed and analyzed to provide a framework for evaluating country experiences. Therefore, the paper will firstly perform a systematic review of the literature on the context and cultural dependency of public management reforms, the debate on the NPM and the New Weberianism, with the aim of defining an analytical theoretical framework suitable for the analysis and comparison of country experiences; secondly, undertake an in-depth evaluation of public management reform trends in two countries – Albania and Romania – and contrast these with OECD countries' experience.

Public administrations of some European countries, including Albania and Romania, are not NPM "laggards" but have instead chosen to adopt a different modernization model: i.e. the New Weberianism. Implications for future research and policy-makers are drawn.

**Denita CEPIKU**  
**Cristina MITITELU**

## **Denita CEPIKU**

Researcher and Assistant professor, Faculty of Economics, "Tor Vergata" Rome University, Rome, Italy  
Tel: 0039-067-2595807  
E-mail: cepiku@economia.uniroma2.it

## **Cristina MITITELU**

PhD Candidate, Public Management and Governance, "Tor Vergata" Rome University, Rome, Italy  
Tel: 0039-345-8526063  
E-mail: cristina.mititelu@uniroma2.it

## 1. Introduction

The NPM theory continues to animate the academic debate and to maintain the momentum in international journals. Indeed, article titles such as “NPM: the cruelest invention of the human spirit” (Lapsley, 2009) or “NPM is dead” (Dunleavy *et al.*, 2005), put into question the real existence of this theory. Hughes (2008, p. 8), in his *What Is, or Was, NPM*, goes further stating “it had never been born other than in the eyes of critics”.

The NPM reform movement has in fact far less coherence in theory and practice than in its early days when it was more geographically concentrated and intellectually focused (Kettl, 2006). While the first countries adopting the NPM (New Zealand, Australia, UK and the US) were driven by economic/fiscal stress such as unsustainable public deficits, the followers (European countries) were affected by serious trust crisis along with Maastricht criteria imposing precise debt and deficit ceilings. Finally, international institutions such as the World Bank were the main advocates of the NPM in developing and transition countries, where the most serious problems were those of weak administrative capacity and corruption (Manning, 2001).

These differences brought by Pollitt and Bouckaert (2004) made the case for the existence of a specific and distinctive model of reform termed the New Weberian State (NWS). The NWS assembles principles which were at the heart of the Weberian model of PA (reaffirmation of the role of the state and of representative democracy, merit selection and impersonality of civil servants, hierarchy, career advancement, legality and rationality), still close to the European Administrative Space’s main standards of reliability and predictability, openness and transparency, accountability, and efficiency and effectiveness (Drechsler, 2005).

Viewed this way, PAs of European countries, including Albania and Romania, are not NPM “laggards” but may have instead chosen to adopt a different modernisation model: i.e. the New Weberianism.

The article, after a brief systematization of the debate on the NPM and the context and cultural dependency of public management reforms (Hofstede, 1980; Kickert, 2005), analyzes two transition countries (Albania and Romania) and contrasts these with OECD countries’ experience. The case studies are analyzed with a specific focus on the scope, contents and sequence of reforms as well as on the role of international institutions.

## 2. Public administration reform: competing theoretical frameworks

A considerable literature has grown up concerning general trends regarding especially the transition from bureaucratic to post-bureaucratic structures and processes. These include the definition of Weberianism and New Weberianism, the NPM and the public governance.

In his book *Economy and Society*, Max Weber (1922) analyzes the benefits of a bureaucratic system of public administration (PA). Weber emphasized control from top to bottom in the form of monocratic hierarchy.

As its literature on bureaucratic organizations emphasizes, the characteristics of such a system of organization are: 1) “*A rational-functional organization*” in accordance with a rational principle of clear definition role in resolving the problems and achieving the objectives; 2) “*A rule-based organization*” where, the authority is rule-driven and distributed in a stable way and is strictly delimited by rules; 3) “*A hierarchical organization*” with several levels of execution and management (Weber, 1922, pp. 956-963). There is “a permanent organization”, a competitive job offer, a meritocratic organization. Inside this hierarchy, each organizational role is clearly defined.

The literature on Weberian administration reveals some specific characteristics: reaffirmation of the state as the main facilitator of solutions; reaffirmation of the representative democracy’s role (central, regional, and local) as the legitimating elements within the state apparatus; reaffirmation of the role of administrative law and preservation of the idea of public service (Pollitt and Bouckaert, 2004). By emphasizing legality, standardization and hierarchical command and control systems, Weberianism devised a model of PA which works reasonably well in the social and political context of institutional buildings, democratization and increasing public services (Pierre and Rothstein, 2008, pp. 1-17). The NPM reform movement has in fact far less coherence in theory and practice than in its early days when it was more geographically concentrated and intellectually focused (Kettl, 2006).

Several authors consider it a market-related model of administrative reform and have identified it with the adoption of an influential set of management techniques drawn from the private sector, a greater service and client orientation and the introduction of market mechanisms and competition in PA (Pollitt and Bouckaert, 2004; Lapsley, 2009).

Most definitions – either from academics or from practitioners – are based on a list of several NPM tools without paying adequate attention to the underlying philosophy or to the interdependency between them. The OECD called this approach an “instrument fixation” and called for a systemic approach to public management reforms (Matheson and Kwon, 2003, p. 13).

Two different positions can be found in the literature with reference to the extent to which NPM reforms fit with the post-communist context (on the other hand, the World Bank, as other donors, showed a keen interest in NPM during 1990, although a word of warning in 2000 recommending a “two-pronged strategy”, aimed at building basic institutions as quickly as possible, while preparing the way for broader managerial flexibility (World Bank, 2000b, p. 36; World Bank, 2000a). Several authors recommend a careful consideration of context variables before adopting NPM reforms. Schick (1998, p. 124) highlights some important preconditions that transition countries should not ignore in designing their modernization strategies, such as a robust market sector and enforced contract management, highly formalized civil service and budget systems, and low levels of corruption. In the author’s words “performance is to government what self-actualization is in Maslow’s hierarchy of needs. Only when basic requirements

have been met is the State ripe to manage for results” (Schick, 2003, p. 5). Polidano (1999) and CLAD (1998) both reject this position, not considering NPM reforms as incompatible with context factors.

The NPM’s most prominent virtue has been its “sharp and clear definition of the problem of modern government and of the solutions that would fix it” (Kettl, 2006, p. 314), but the literature is far more rich with critiques.

The (mostly European) literature on governance and the NPM describe two models of public service that reflect a “reinvented” form of government which is better managed, and which takes its objectives not from democratic theory but from market economics (Stoker, 1998). While some use the terms interchangeably (for example Hood, 1991), most of the research makes distinctions between the two. Essentially, governance is a political theory while NPM is an organizational theory (Peters and Pierre, 1998). As Stoker describes it:

*“Governance refers to the development of governing styles in which boundaries between and within public and private sectors has become blurred. The essence of governance is its focus on mechanisms that do not rest on recourse to the authority and sanctions of government....Governance for (some) is about the potential for contracting, franchising and new forms of regulation. In short, it is about what (some) refer to as the NPM. However, governance...is more than a new set of managerial tools. It is also about more than achieving greater efficiency in the production of public services”.* (Stoker, 1998, pp. 17-18).

Peters and Pierre agree, saying that governance is about process, while NPM is about outcomes (1998, p. 232). Governance is ultimately concerned with creating the conditions for ordered rule and collective action (Stoker, 1998; Peters and Pierre, 1998; Milward and Provan, 2000). As Stoker (1998) notes, the outputs of governance are not different from those of government; it is instead a matter of a difference in processes (1998, p. 17). Governance refers to the development of governing styles in which boundaries between and within public and private sectors has become blurred. The essence of governance, and its most troublesome aspect, according to its critics, is a focus on mechanisms that do not rest on recourse to the authority and sanctions of government (Bekke *et al.*, 1995; Peters and Pierre, 1998; Stoker, 1998; Rhodes, 1996).

Some authors consider public governance as a new model that enables enrichment instead of an abandonment of the NPM paradigm (Cepiku, 2005; Osborne, 2006). These authors view the governance movement as a response to a perceived absence of a sufficient attention given to the following five areas in the drive to devise and implement NPM over the past several decades (Meneguzzo and Cepiku, 2008, pp. 108-110). This includes: “1) an improved understanding of linkages between politics and administration; 2) the need for improved analysis of stakeholder positioning and preferences in formulating public policy and management execution strategy; 3) analysis to better define network relationships among stakeholders internal and

external to government; 4) the necessity for addressing potential and real abridgements of public participation rights and basic principles of democracy; 5) finding remedies to address the absence of government responsiveness to citizens in policy formation and execution". (Jones *et al.*, 2004, p. xi).

The currently most discussed "post-NPM" model is the so-called Neo-Weberian State (NWS), a tortuous metaphor describing a model that co-opts the positive elements of NPM, but on a Weberian foundation (Pollitt and Bouckaert, 2004, pp. 96-102). The concept of the NWS has been used in the literatures of political science, sociology, and PA since at least 1970 (Brown, 1978, p. 367). Following Lynn assumptions, the NWS is state-centered (arguably, by definition). Although the neo-elements refer to citizens needs, an external orientation, and consultation, these seem to be the accomplishments of administrative elites and governments (Lynn, 2008, p. 6).

Dunn and Miller, put forward the convoluted characterization of NPM as a program for governmental transformation initiated in the 1990s and captured by the concept "reinventing government" (2007, p. 345). According to Pollitt and Bouckaert, "there are continuing broad differences between different groups of countries" (2004, p. 102) as far as governance is concerned. Their groups are the "maintainers", the "modernizers", and the "marketizers". But, as underlined, there are really only two groups of great interest in the context of reform: the core, Anglo-American NPM marketizers and the continental European modernizers. The reform model of this latter group is what Pollitt and Bouckaert classify as the NWS (Lynn, 2008, p. 1).

This Neo-Weberian perspective appears to yield the following principles (Pollitt and Bouckaert, 2004, pp. 99-100).

1. *Centrality of the State*. This principle, taken for granted in the USA and other states with superpower status, would ensure that weak states have the political, organizational, and managerial capacity to deal with domestic and international problems surrounding globalization, environmental threats, demographic challenges, and technological innovation.
2. *Reform and Enforcement of Administrative Law*. This principle would guarantee equality for all individuals and groups before the law, protect against arbitrary and unpredictable actions by state agencies, and provide for specialized state scrutiny of state actions.
3. *Preservation of Public Service*. This principle would maintain the idea of a public service with a distinct status, culture, and terms and conditions of employment, characteristics which are often ignored or simply missing in post-socialist EU accession states, where civil servants are poorly paid, poorly educated, and subject to demotion and removal by political authorities.
4. *Representative Democracy*. It is a basis for legitimating, controlling, and maintaining the stability and competence of the public bureaucracy. This principle, central to Weber's concern with parliamentary control of bureaucracies, separated Western Europe from Russia and then later the Soviet Union, where the bureaucracy was

unstable, unreliable, inefficient, and “un-bureaucratic” (in Weber’s sense) because it could not maintain its neutrality in the face of external political control.

5. *External Orientation toward Citizens.* This principle represents an outward shift away from internal bureaucratic rules toward the needs, values, and perceived opportunities of citizens. Similar to the “consumer-orientation” of NPM, external orientation is based primarily on a professional culture of quality and service, supplemented in some appropriate cases by market mechanisms.
6. *Supplemental Public Consultation and Direct Citizen Involvement.* This principle, which supplements but does not replace representative democracy, provides for a range of procedures for public consultation as well as direct representation of citizen views. This is similar to citizen and community control under NPM.
7. *Results Orientation.* This principle encourages a greater orientation toward the achievement of results, not only the consistent following of formal procedures. Virtually identical to that of NPM, a results orientation works *ex-post* as well as *ex-ante*, incorporating monitoring and evaluation as well as the special type of forecasting undertaken under procedures of Regulatory Impact Assessment (RIA).
8. *Management Professionalism.* This principle governs the acquisition of professional knowledge and skills by civil servants, so that the “bureaucrat” becomes not simply an expert in the law relevant to his or her sphere of activity, but also a professional manager, oriented to meeting the needs of his or her citizen/users (Pollitt and Bouckaert, 2004, pp. 99-100; Drechsler, 2005, p. 6).

The State is still considered to be the main facilitator of solutions to problems such as globalization, technological change, shifting demographics and environmental threat. Despite legitimacy problems, the role and functioning of representative democracy has not suffered any major change. The same holds for the role and perception of the civil service and the principles of the *Rechtstaat* model. The traditional Weberian elements have thus been preserved. However, there are also some new elements. For example, there has been a shift from an internal orientation towards bureaucratic rules to an external orientation towards meeting citizens’ needs and wishes. New devices have been introduced to improve the role of representative democracy, both regarding the early consultation with citizens and representation of citizens’ views (Pollitt, Van Thiel and Homburg, 2007, p. 3).

The Neo Weberian State is characterized by the instrumental rationality of Weberian bureaucracy, to achieve economic and financial gains through “downsizing”, tax-reduction programs and privatization programs designed to achieve new efficiencies (Dunn and Miller, 2007, p. 355).

In the management of resources within government, a modernization of the relevant laws has been implemented to encourage a greater orientation on the achievement of results rather than merely the correct following of procedure. This is expressed for example in a shift in the balance from *ex-ante* to *ex-post* controls, although the former have certainly not been completely abandoned.

In sum, the NWS has led to some changes, but often changes are mitigated by existing structures and traditions, and are more concerned with democratization and modernization than with “entrepreneurial government” or imitating private sector practices.

However, the expectations are that this “Neo-Weberian” administration would connect the advantages of bureaucratic model to the assets of NPM have hitherto not yet come true. Quite frequently, the “old” methods of steering (legal rules and hierarchy) are being weakened before the “new” managerial ones function (economic incentives and decentralized management). Instead of a well-performing “neo-Weberian” model proclaimed by some scholars local governments are now, in the post-NPM phase, witnessing a re-emergence of the bureaucratic Weberian administration.

**Table 1:** Characteristics of Weberianism, NPM, Neo-Weberianism and Public Governance

<b>Weberian characteristics</b>	<b>NPM characteristics</b>	<b>Neo-Weberian characteristics</b>	<b>Public Governance characteristics</b>
Dominance of rule of law, focus on rules and policy systems	Inward focus on (private sector) management techniques	External orientation towards citizens needs	Outwards focus and a systematic approach
Central role for the bureaucracy in the policy making and implementation	Input and output control	Central role of professional managers	Process and outcome control
Unitary state	Fragmented state	Unitary state and collaboration	Plural and pluralist state (networks)
Public service ethos	Competition and market place	Public service ethos	Neo-corporatist
Representative democracy as the legitimating element	Client empowerment through redress and market mechanisms	Supplementation of democracy with consultation and participation	Participative decision making
Political-administration split within public organizations	Political-administration split within and between (agencification) organizations	Political-administration separation and emphasis on professionalization of the latter	Collaborative relations between politicians and managers

According to Lægreid (2008), the NPM can only work when there is a strong Weberian ethos and trust relations. Therefore, it is not recommendable to introduce the NPM in low trust countries and Weberianism or neo-Weberian models are suggested.

### **3. Public administration reform: the experience of transition countries**

In post-socialist countries, development has been pursued at the outset of transition mainly through downsizing measures aimed at achieving fiscal stabilization. These measures benefited of the full support from the international community. Many earlier reforms, often under pressure from structural adjustment and fiscal stabilization, were concerned with administrative efficiency and involved retrenchment of civil service. The most basic transformation was moving resources from the State to the

private sector, which in 1999 produced more than half of GDP in the central eastern European region (World Bank, 1996, p. 6).

As Mintzberg has wisely noticed with reference to Eastern European countries, the leap between state and private ownership can be made more easily than a more balanced shift to co-operative, non-profit and for-profit organizations. In some of these countries, “State control seems to have given way to equally devastating control by the private sector” (Mintzberg, 1996, p. 76), while in others a slower and more difficult balance has been successfully pursued (Osborne and Kaposvari, 1998).

No parallel efforts were made by international institutions and governments to strengthen PA; management and public support was weak as well. In spite of past reform efforts, the bureaucratic environment, red tape and corruption still restrain economic activity in some post-communist countries, both with regard to foreign investors and local entrepreneurs. In addressing these issues, reforms of public governance and public management, are expected to provide high dividends for economic growth, trade, investment, private initiative and job creation.

As the imperative of PA reform became clearer in middle and late 1990s, the NPM had a strong echo in both transition countries and international institutions. Nevertheless, no agreement is found in the literature on the scope, contents and sequence of PA reforms in transition countries, which is too often accepted without further qualification (Jacobs, 2004, p. 321; Schick, 2002).

Regarding the scope of PA reforms, what distinguishes transition from reforms in other countries is the scale and intensity of the systemic change involved. “Reform must penetrate to the fundamental rules of the game that shape behavior and guide organizations” (World Bank, 2000b, p. 97). When coming to consider public management and governance reforms, the key issue is whether to go for a wide-ranging, comprehensive set of reforms or whether to limit to a more restrained, incremental program of change (Polidano, 2001).

Comprehensive reform programs may be necessary to attract the aid money without which reform cannot proceed in many countries. Thus, the choice of the first option is often connected to PA reforms from the donor-driven perspective, characterized by a narrow macro-economic focus and it is bound up with the question of uncoupling civil service reform from structural adjustment progress.

However, over-elaborated reform projects, which attempt to address too many objectives simultaneously, can sometimes be beyond the capacity of aid recipients to implement them and are a common cause of project failure (Polidano, 2001).

As far as contents of reform are concerned, there has been a comprehensible reluctance to define a generalized model, preferring instead a contingency approach. Nonetheless, in much of the literature reviewed, the basic assumption is that strategic planning and coordination across PA, stable financial and budgetary management and human resources management are three central areas of PA reform. However, these three levels of change have been considered separately and very often synergies have not been achieved.

The growing attention to public management reforms in recipient countries, along with the evolution of aid destination towards public management and governance reforms draw from similar changes in terms of strategy of international institutions. For example, the World Bank strategy in the central and eastern European region moved from a first stage in the early 1990s initiating more immediate policy reform measures with a strong emphasis on macroeconomic stabilization, liberalization, and privatization. In mid-1990s, it began to tackle public resource management and aspects of administrative reforms in the context of adjustment operations, along with specific functions of the State, such as tax administration and public finance. The past decade has witnessed a significant expansion in the scale, scope and depth of public sector institutional reform activities in the region, addressing more fundamental institutional reforms in fiscal management, effective linkage of policymaking and budgeting through the introduction of medium-term expenditure frameworks (MTEF), PA and civil service reforms (World Bank, 2000b, pp. 97-106). However, this evolution has not been informed by learning-oriented evaluation, as the literature seems to suggest (Gasper, 2000).

The conceptual framework underpinning these experiences builds on the simple but powerful idea that development results can be improved by an enhanced management focus on them. It brings together three strands of the development dialogue of recent years: country-led development and partnership, results-based management and development effectiveness (OECD/DAC, 2003).

Most of the transitional countries experienced a PA system based on a hierarchical organization, known as the “Weberian administration model”. To this, we add “the asymmetric models”, and new “models” and institutional “experiments” for PA in Central and Eastern European countries, like Romania, undergoing reforms since the 1990s (Matei, 2009, p. 32). As a retrospect the aspects of both the Weberian and NPM principles have infused PA reform in post-communist countries, though Weberian standards have greater prominence in the EU accession reform agenda in Romania (Numberg, 1999; Goetz, 2001, pp. 1034-1035).

In conclusion, PA reform in transition countries entails a very broad agenda neither prioritized nor clearly defined in terms of effective implementation, though referring to high-level intentions (Jacobs, 2004).

### ***3.1 Public administration reform in Albania***

Albania is a transition country of about three million people in the Balkan Peninsula. A distinguishing feature of development in Albania during the first years of transition has been its capacity for a quick economic recovery with GDP growth rates ranging from 7% to 11% (during 1993-1996 and again from 1998). For many years, Albania was held up as an example for other transitional countries to follow because of its apparently favorable macroeconomic indicators. Nonetheless, during 1996-1997, Albania was convulsed by the fall of several huge financial pyramid schemes with about two-thirds of the population investing in them and nominal liabilities amounting

at almost half of the country's GDP. The sharp decline of 10% of the GDP after the crisis showed the vulnerability of the macroeconomic results so far achieved and highlighted the imperative of institutional and financial sector reform (Jarvis, 1999; Mussari and Cepiku, 2007).

Recent macroeconomic developments have been broadly favorable, with relatively strong economic growth of 6% in 2008 and inflation within the 2-4% target of the Bank of Albania. The general government deficit was kept below 4% of GDP in 2006 and the public debt ratio has decreased. The Albanian economy has been of the few able to weather the crisis in a more robust way than some of its neighbors. This is a result of several things including an accumulation of reforms and a large fiscal stimulus that came from the public investment program of the government at the beginning of 2009 (European Commission, 2008). The challenge for Albania will be to maintain the good monetary policy that has helped it to weather the impact on the banking sector and to take a very conservative fiscal approach going into 2010.

In its National Strategy for Socio-Economic Development (Republika e Shqipërisë, 2001, p. 53), the Albanian government recognized PA reform as fundamental for the attainment of the medium-term objectives for growth and poverty reduction. The Government strategy for state administrative and institutional reforms included strengthening the coordination of public policies; improving policy and program implementation; transparency, effectiveness and accountability in resources management; and government-citizens relationships and public accountability. However, reforms were addressed mainly by drafting laws and formally establishing new agencies, revealing donor pressure more than a serious commitment of the Albanian government, still unable of implementing much of the reforms.

The process towards distributed public governance has not been accompanied by a parallel reduction in the number and functions of ministries while public agencies and independent authorities have increased. In this scenario, the protection of the public interest becomes increasingly difficult and priorities move away from the need to create new separate bodies to the challenge of finding the right balance between accountability and autonomy, openness, performance management, as well as strengthening the steering capacity of central ministries (OECD, 2002, p. 9, p. 21). Furthermore, steering these central non-ministerial bodies through contract-based public management is beyond reach, which poses crucial whole-of-government issues such as policy coherence and clarity of the administrative organizational system at the central level (Schick, 1998). Another issue questioning the use of contractual relationships in PAs of transition countries is their critics in western market economies, focusing on transaction costs and inability to respond to changing and uncertain environments (Osborne and Kaposvari, 1998, p. 375). During communism, local governments (i.e. territorial divisions of central government controlled by the interior Ministry) were characterized by little political autonomy and high levels of social and economic responsibility. In the first years of transition, the focus was mainly on

reforms at the central level to build key democratic institutions, as well as on basic economic reforms, while less attention was paid to local government reforms. Sub-national administrations were formally re-created in the early 1990s, with a number of laws approved which govern their competencies and authorities. Much of that legal framework has yet to be implemented and local governments in Albania have very limited administrative and fiscal autonomy (Cepiku, 2002, p. 301; World Bank, 2004a, p. 6).

Sub-national governments include communes (komuna), municipalities (bashki) and regions (qarqe). Communes and municipalities are the lowest level of local PA, while the 12 regions represent the upper level.

The law on the organization and functioning of the local self-government (July 2000) established that the relationship between levels of government will be based on the principle of subsidiarity, which states that public functions should be assigned to the lowest level of government, whenever no compelling reason would suggest otherwise. The decentralization strategy has included reforms in local financing, a package of laws on physical assets and on local public enterprises, aimed at improving allocative efficiency, governance and accountability, the institutional status of local government, the development of managerial capacities at the local level, etc. (Alderman, 2002).

Despite some initial fundamental regulatory and institutional achievements, key challenges that threaten the successful implementation of the government's decentralization strategy are the following:

(a) The impact of external assistance in decentralization reforms. With some exceptions, donors currently negotiate their assistance programs and maintain their consultation process essentially with line ministries, without considering sub-national governments and communities. The natural outcome of the current unsatisfactory consultation approach has been a lack of sufficient knowledge of local conditions and a biased suspicion of local administrations, which tend to hinder the decentralization implementation process (World Bank, 2004a).

(b) Weak administrative capacity (both local and central);

(c) High fragmentation and small size of local units;

(d) A still undefined role of the regions and the interactions between levels of government, which create conflicting authorities, duplications, and inefficiencies;

(e) The poor coordination of decentralization implementation;

(f) The absence of clear service standards and measurement criteria of performance in local service delivery;

(g) An inadequate degree of revenue autonomy and predictability.

The legal framework on HRM in the Albanian public sector is based on the Labour code and on the Law no. 8549/1999 defining the "Status of the civil servant" (which addresses only high civil servants). The government followed up that law with considerable subsidiary legislation establishing, among other things, detailed procedures regulating job description and evaluation, recruitment and selection procedures,

performance appraisal processes etc. The DPA is responsible for formulating HRM strategies, while an independent authority (the Civil service commission) monitors the DPA's activity. Strategy implementation is performed by the DPA regarding central administrations and by locally-based HRM departments for the local level. From a quantitative point of view, the civil service has continually been on decline as part of the stabilization efforts of the Albanian government. PA employees amount to 4.6% of the population, compared to the European ratio ranging from 2.5% in Greece to 8% in Hungary. Amongst them, 56% are employees of the education and health sector. Civil servants at ministries are less than 1.5% of total public employees. The qualitative scenario of the civil service suggests that there is room for improvement. A general lack of qualified and professional staff in many fields reduces the capacity of the public service to fulfill fundamental tasks. At the same time, an excess of non-qualified people in the lower levels (such as drivers, cleaners, guards etc.) is observed. The increase of the salary of public employees has been one of the main concerns of the government. The reform strategy included a first phase addressing only the higher civil service aimed at developing a professional and managerial core. It was done by legally defining their status and by specifically regulating recruitment and progression. A second phase addressed the whole-of-civil service, aimed at introducing a results-orientation and emphasis on effectiveness of public programs and policies. The main objective behind reform is the establishment of a professional and sustainable civil service, mainly through stability and security for civil servants and staff professionalism (Republic of Albania, 2004, p. 67). In conclusion, capacity to implement HRM reforms has been weak and political interferences have been a threat for their successful implementation.

Effective delivery of public services requires not only well-designed macroeconomic and fiscal policies, but also well functioning institutions such as rules, procedures and organizational arrangements that govern the budget process and shape the incentives that influence the size, allocation and use of budgetary resources. Inheritance from the former soviet regime includes: "poorly defined allocation of budgetary responsibilities between the Ministry of finance, line ministries and other budgetary institutions; the existence of numerous extra-budgetary and special funds; separation of decision-making on capital investment programs and operational budgets; weak accounting and reporting standards; poor linkages between budgets and results; and no tradition of multiyear financial planning" (Allen, 1999, p. 100).

During most of the 1990s, government efforts focused on maintaining aggregate fiscal discipline, and less on establishing institutional arrangements to bring a more strategic focus to budgetary processes. Some baselines were defined by the EU as minimum standards of performance in four areas of budgeting and financial management – public expenditure management, financial control, public procurement and external audit (Allen, 1999, p. 96). In 2000, the introduction of a MTEF (now called Medium-Term Budget Program, MTBP), operating on a three-

year rolling cycle was an important first step towards a more strategic and policy-focused budget process. The government has made the MTBP the centerpiece of its strategy to prioritize expenditures and to strengthen the linkages between policy objectives, budget planning and execution. One of the “quick wins” currently being implemented as part of the World Bank PA reform loan is the design, development and implementation of a straightforward budget execution control and reporting system. The pilot for this system is being implemented in the Tirana regional treasury, which alone is responsible for more than 50% of central government expenditures. The system will also facilitate cash-flow forecasting, since it tracks revenues as well as expenditures. If successful, this system will gradually be introduced in the other regional treasuries, representing a dramatic improvement in the accounting capabilities of the Ministry of Finance.

Summing up, macroeconomic stabilization pursued in Albania at the outset of transition, mainly through the support of international institutions, achieved substantial results in terms of GDP growth, employment and inflation. However, as the 1997 crisis made clear, it was more a recovery than a sustainable process of development. PA reform was neglected, bringing about a weak governance system and widespread corruption. This called for a thorough public management reform, which drivers came from international institutions operating in Albania. Regarding strategy and sequencing of reforms, they included:

- Enhancing performance in sectors in which government will continue to be the only or the main supplier (public order, health, social protection, labor market, environmental protection, public transports etc.).
- Assuming a more regulatory role at the medium and long-term in the sectors of telecommunications, energy, water supply, insurances, television broadcasting etc.

Strengthening the administration’s stability and increasing the performance of PAs and civil servants remain central areas of concern (Republic of Albania, 2004, p. 5). However, the current implementation of PA reforms continues to focus on mechanical and formal alterations of the structure of the civil service rather than procedural operations and effectiveness and a change in behaviour within the civil service and its citizens-orientation. The Albanian PA continues to be characterized by rigid hierarchies and a custodial attitude, which government-led reforms have not yet begun to address.

Although the level of official development assistance is relatively high, at about 5% of Albanian GDP, only a core set of international institutions and foreign governments have contributed to public management modernization initiatives in Albania. Problems of coordination are exacerbated because of several donors involved in the same field, during the same period. What emerges quite clearly is that donors have paid increasing attention to governance issues since the 1997 crisis.

### **3.2 Public administration reform in Romania**

In the years following the 1989 revolution, the reform of PA in Romania lacked a coherent vision regarding its content, the direction toward which it was headed and concrete implementation tools. The administrative environment was not extremely motivating mainly due to the existing organizational culture, a lack of experience on the behalf of administrative institutions with the reform of public management, the lack of a strategic vision, influence of politics, and the legacy of a centralized administration system. The path of reforms has not been a smooth ride for Romania (Hințea, 2006, p. 3).

As outlined in a recent report published by the World Bank (2007), after two decades of reform with disastrous performance, Romania has made remarkable progress on stabilization over the last four years.

The deepest GDP fall among Central and Eastern Europe was felt during 1993-1996 when GDP went down by 30% knocking the first transitional shock resulting in macroeconomic imbalances. After the failed stabilization plan of 1997, Romania went through a second deep transitional recession with the GDP declining by over 12 per cent during three consecutive years. The 1997 stabilization program failed its primary objectives resulting in aggressive PA reform as the primary agenda of the Romanian Government (OECD, 2001-2003, pp. 8-10; Mihai, 2005, p. 1). In its strategy and policies of pre-accession, the Romanian government recognized PA reform as fundamental for the attainment of the long-run stable and sustainable economic and social structure.

Romania is a country with a population of 21 millions inhabitants. The PA in Romania consists of 110,426 civil servant positions with an effective employment of 87.97% of the total, where 15.14% and 39.90% positions are at central and local levels, respectively and the rest 44.96% catering to territorial civil service positions (Management Report, National Agency of Civil Servants, 2007). The Romanian PA is structured according to a three-tier system of government: central, county and local. The state is divided from a territorial standpoint into counties, which are formed by communes, towns and cities (larger towns). The sub-national PA includes communes (Comuna), towns (Oraș) and counties (Județ). County councils and Municipal councils are upper level of public administrative structure whereas town councils and commune councils are lower levels with 6 additional district councils of Bucharest (Coman *et. al.*, 2001, p. 371).

The transfer of competences from central level to communes, towns and counties, and implicitly, the creation of new forms of organization and coordination of national and local policies represent the major step undergone by Romania since 1990 in the decentralization of power, authority and decision (Matei, 2009, p. 22).

The process went through four stages. In the first stage (1991-1994), important changes were made in the structure and funding of local authorities, including the introduction of the local taxation system. In the second stage of the reform policy

(1998-2000), administrative and financial decentralization became a priority. Based on the new legislation on financing of local public authorities, the share of GDP going to local budgets increased (from 3.6% in 1998 to 6.5% in 2001), but also the share of local expenditure in total public expenditure increase (from 14.4% in 1998 to 26.6% in 2001). In the third stage (2001-2004), the new laws set new rules for certain functions of local authorities, especially from public services or utilities. The fourth stage (after 2004) started with the design and approval of the Updated Strategy for Accelerating PA Reform “Government Decision no. 699/2004” (Profiroiu and Profiroiu, 2006, pp. 117-118).

The 1991 Romanian Constitution, revised in 2003, institutes the three fundamental principles on which the PA is grounded: decentralization, local autonomy, and the deconcentration of public services (Profiroiu, 2006). In Romania, territorial administrative decentralization is based on a community of “public interests” of the citizens belonging to a territorial-administrative unit, “recognizing the local community and the right to solve its problems’ and technical and financial decentralization of the public services, namely transferring the services from the “center” to local communities, aimed to meet social needs.” (Matei, 2009, p. 13).

The strategy reinforces the transfer of power from the central to the local level. In order for local autonomy to be achieved, the PA authorities from communes, cities, and counties adopt a budget and appropriate funds. They can also levy taxes according to the legal provisions. The share of GDP designated to local budgets during 1998-2001 increased from 3.6% to 6.5%, and local public expenditures increased from 14% to 26% (Matei, 2009, p. 24).

The newly adopted strategies in the central PA integrate the following concepts: transparency, predictability, accountability, adaptability, and effectiveness. A more formal, institutional driven approach to the reform process was also implemented. Specialized governmental structures such as the Central Unit for the Reform of PA (within the Ministry of Administration and Interior), the Superior Council for the Reform of PA, Coordination of Public Policies, and Structural Adjustment), Unit for Public Policy were created (Hințea, 2006, p. 13).

In Romania, one of the problems that hinder the administrative capacity of local PA is fragmentation. This can be addressed by encouraging cooperation among different municipalities and communes in the provision of services.

The concept of administrative capacity is closely intertwined with the decentralization process. Significant steps have been made, but there are still problems. The most important one stems from a lack of vision and coherence over the long run with regard to decentralization in Romania. Several important measures were implemented but without being coordinated. The newly adopted framework built for the first time tries to phase the decentralization process according to the capacity of the local level. It also creates stimulants for the fragmented local level to cooperate with the provision of public services.

In 2006, a new Law on Decentralization has been adopted. Its positive impact is given, mainly, by the clarification with regard to local revenue resources for the fulfillment of new local tasks; the classification of territorial-administrative units depending on their administrative capacity; the clear delimitation between central, county and local authorities' competences; and its stipulation that the transfer of competences shall be made simultaneously with the transfer of financial resources and instruments, and the new competences shall be exercised only after the necessary financial resources have been given to county and local public authorities. The decentralization process in Romania can be briefed as follows:

- There is a considerable gap between the policy framework and its implementation. Theoretically, Romania is already a decentralized state.
- The decentralized effects at local level did not manifest in a consistent manner until the present time.
- There is genuine lack of bookkeeping and financial accountability at local levels.
- The state services lack the visibility concerning the local needs (Profiroiu *et. al.*, 2006, p. 6).

In 1998, the new National Strategy for Implementation of the Information Society in Romania was enacted. This Strategy aimed at building an information core including national databases for citizens, business, property, legislation, statistical information, intellectual property, standards and a better data communication infrastructure. Effective e-governance started in Romania after the implementation of eEurope+2003 Action Plan as part of accession process ([www.mcti.ro](http://www.mcti.ro)). The current status and perspectives for electronic government does show: the communications infrastructure is very poor; the number of PCs/capita is very low; few people have Internet access, the majority at low speed, and quite expensive; the government is offering basic electronic services mainly in stage one (posting information); the quality of governmental web-sites is low; local government has a weak presence over the Net; the Information Systems of PA have to be significantly improved (Şandor *et. al.*, 2006). To sum up, according to Matei (2009, p. 40) the decentralization process has not been easy, assuming a specific legislation and an adequate organizational structure, on one hand, and procedures for the local autonomy, on the other hand.

Implementation of the NPM concepts in Romania can be summed at different levels. At the state level, NPM with new concepts of public management and public marketing introduces 1) analysis and forecast – within the NPM, the information is obtained by information technology systems and addresses the demand (market surveys), competition, resources and innovations; 2) planning – will be intensively decentralized and focused, therefore the state will merely design the institutional framework than play a leading part; 3) implementation – in order to improve performance, focus on the organizational behaviour and human resources management are needed; 4) control – as an advantage in the NPM terms represents good score in accountability, feed-back and adaptation. Adaptation will be determined by market mechanisms.

At Human Resource and employee level, the clear advantage stands in the internal motivation due to human resource influence – in comparison with the Romanian system which is based on external motivation – a complicated network of rules and laws.

At organizational level, the decision-making under NPM is economically motivated (market forces and needs) although, theoretically, this should not occur. Nevertheless, this can be a positive aspect in the context offered by the present Romanian system where, in practice, decisions are politically determined instead of being substantiated and formulated by professional public managers. In Romania the NPM distinguishes itself from the bureaucratic, pyramidal hierarchy through its decentralized systems and networks in the field of organizational schemes.

The core aspect of the PA reform, involves the concept of “Civil Servant Legal Status”. There is a need for an in-depth analysis of the Human Resource mechanisms which have an extremely relevant role in building a new professional civil service system.

The data provided by the National Agency for Public Servants show that in 2004, out of 112.849 public servants, 44.43% were working in local PA and among them, only 3.09% were new appointees. Out of the vacant positions, only 16.24% were debutant positions, which require no experience ([www.anfp.ro](http://www.anfp.ro)). There are no data available regarding the educational background of the public servants in management positions and in executive positions. Overall, though, the perception is that the older generation is still in control of the policy-making in PA, while the infusion of young specialists can be traced at the entry-level positions. Another perception is that the new generation of specialists is tempted to learn the old way of doing PA, to “blend in”, rather than stand out and confront the old techniques (Dragoş and Neamţu, 2007, p. 637).

In 2001, the Government Ordinance on establishing and organizing the National Institute for Administration was introduced. These changes were aimed at depoliticizing PA and at ensuring the continuity of the administrative activity. The National Agency for Civil Servants is now the main decisional institution in the field of civil service and civil servants’ management. However, the Law of Civil Servants (last modified in February 2007) has gradually given more powers to county and local public authorities in terms of civil servants’ management.

The pay system for public servants currently experiences several challenges with negative implications for those who work at the local level (Romanian Agency for Public Servants Reports, [www.anfp.ro](http://www.anfp.ro)). There is a constant migration of public servants not only from the public sector toward the private one, but also within PA from the local toward the central level. The most affected by this process are the small communes and municipalities. There are difficulties associated with fighting corruption among public servants. The low level of salaries and the lack of correlation with the public servants’ duties and responsibilities very often lead to corruption and unethical practices. This phenomenon is exacerbated by very strict incompatibilities imposed for public servants. They are not able to engage in other types of lucrative

activities, with very few exceptions. Corruption increases the negative perception of the society about the PA.

The second aspect related to human resources is training. The building of a civil service body able to promote and support reform is a major task, and cannot be designed without involving universities (Hințea, 2006). The National Institute for Public Administration, established in 2001, is functioning since 2002-2003. It offers intensive training for new recruits as well as continuous training for persons who already work in the system. A special initiative, the EDIS program, was aimed at training the Romanian civil servants to work European Funds (Mihai, 2005, p. 6).

An analysis of a national survey of civil servants revealed some progress in the professionalization of the Romanian civil service. In particular, an individual's educational credentials, expertise in certain vocations, and professional training played a significant role in salary levels, indicating a move in the direction of an ideal Weberian bureaucracy of "experts". The creation of wholly new institutions for managing, training and regulating the civil servant has contributed to this process of professionalization, though problems such as lack of transparency and poor evaluation remain (Lee, 2009, pp. 274-288).

The last points that need to be analyzed are accountability and incorruptibility. Even a code for the civil servants was issued in 2004. What we notice in Romania's case is a "citizen-oriented" concept of administration still struggling to defeat the old mentality dating back from the communist times, characterized by a lack of service and administration culture. As a direct result, public confidence in central institutions has been constantly lagging at a very low level.

The European integration of Romania in 2007 has determined a significant change in the administrative expenditure amount: 1) strengthening local autonomy through the decentralization and the devolution processes emphasizes clearly the need for improving the performance of the expenditure management at local level; 2) internal order, flows of communication and transfer, synergy of the governance system assume administrative expenditure that can be determined; 3) the performance of public organizations in managing local governance issues depends directly also on the administrative expenditure level (Matei, 2009).

In the last 10-15 years, some concrete measures have been taken in order to stabilize public expenditure, both of the public sector as well as of the private sector. As for financial policies, in the beginning of the 1990s the Law on the state budget was used to draft and implement Local Government Unit's (LGU) financial policies and included information about the funds allocated to the LGU throughout Romania (Nikolov, 2006, p. 10). The financial decentralization is an important component of the decentralization process with regard to the allocation of the local financial resources. Clearly, the financial decentralization and the administrative one are closely correlated. Romania has made significant steps in the process of financial decentralization but "the process of implementing this policy has been confronted

with many problems because of the lack of a national strategy for decentralization” (Profiroiu, 2006, pp. 126-128).

In recent years, considerable efforts have been made to either abolish extra-budgetary funds or move them on-budget. Various elements, however, are not yet – or not yet fully – included in the state budget. Expenditures financed by external loans and development aid are outside the state budget. Revenues and expenditures of self-funded public institutions are also outside the state budget, while “own resources” of spending units are excluded from both the state budget and the consolidated budget. Although there has been progress in broadening the scope of the state budget, further efforts are needed to consolidate the various budgets (SIGMA, 2005).

One of the important tools introduced was DPL (Development Policy Loans) program proposed by World Bank for Romania and its focus on public financial management, the social sectors and the financial sector. The DPL program’s public financial management reforms include cross-sectorial measures relating to the Medium Term Expenditure Framework (MTEF), and initial steps on public sector pay reforms ([www.worldbank.org.ro](http://www.worldbank.org.ro)). MTEF will introduce more stability, predictability and transparency in public spending. In addition, the proposed program of operations focuses on sectorial reforms in education and health, where, again, the measures seek to improve fiscal management while promoting more efficient service provision and more equitable access.

Despite the huge efforts made by the international bodies, one of the most severe limitations of the donor assistance in Romania are the extensive attention towards policy-making. In this respect, Romania is still “donor dependent”. Romania receives substantial external assistance, amounting to 1.64% of GNP in 2002, which is second only to Bulgaria in transitional economies. This is overwhelmingly provided by the two major donors, the European Union and the World Bank but both contributing to different agendas. Romania benefited from the European Union assistance in PA field since 1992 by assisting Romanian public institutions mainly through funding twinning projects. The World Bank contributed significantly to Romania’s development policy agenda, especially in PA structural reforms through the projects like MTEF.

Reforming Public expenditure management has shown substantial results on the economic growth of Romania in the recent past. The Romanian economy experienced an economic boom during 2003-2008, a large part of the domestic absorption boom was driven by private investment but the process of public expenditure needs high attention because of high rate of corruption in the public administrative system. Nevertheless, the intensification of the reform process at the administrative management level leads to the reduction of the level of corruption (Tudorel, 2009, p. 1).

#### **4. Discussions and conclusions**

The paper analyzed public sector reforms in transition countries, through the case studies of Albania and Romania, with the aim of addressing a relevant literature gap in terms of a widely-accepted model of PA reform agendas in transition countries

(Verheijen, 2002; Jacobs, 2004, p. 330). In particular, the experience of these two countries could be compared with the different theoretical models.

Undoubtedly, the specificity of the case studies as context and topic sensitive does not allow for comprehensive generalizations, though providing useful insights for other transition countries. The two case studies bring about interesting results on the extent to which NPM-style reforms fit the context conditions in transition countries and on the potentialities of the New Weberianism as an interpretative model. Both countries have generally started civil service reform before a structural overhaul of the PA. This condition is common to other post-communist countries (Verheijen, 2002).

The reform paths do not resemble the NPM model (with the exception of a strong emphasis on privatization) but, rather, a neo Weberian approach. “A NWS became the requirement without having a completed Weberian state, because it is the only solution for providing a synthesis between legalism and managerialism. [...] A NWS, in which governmental actions are based on the rule of law, in which private enterprises are involved for competing quality in the service delivery, and in which civil society organizations have a full range involvement in public policy making, from decision making to service provision, strengthening of civil sector and its organizations.” (Jenei, 2009). Key elements are the emphasis on the professionalization of the public servants, their depoliticisation and transparency.

It is of fundamental relevance to develop a PA modernisation model based on the key characteristics and needs of transition countries and, subsequently, to use this model – instead of the NPM – for interpreting and assessing the results.

PA reforms have two ways to influence development: downsizing public sector, which frees up resources and provides new opportunities for private actors, and making public sector more responsive, which, although requiring some investments in the beginning, contributes to better public policies and more integrated economic and social development.

The Albanian and Romanian experiences provide evidence that downsizing measures can help achieve fiscal stability in the short term, while prove to be ineffective in setting the conditions for a longer term sustainable development and also give rise to some unexpected problems of their own.

In retrospective, the case studies seem to confirm the position found in the literature which recommends that matters of constitutional governance should be dealt with before matters of administration; that legal frameworks should be in place before dealing with administrative arrangements; that a functioning core civil service is a pre-condition of more distributed public governance arrangements; and that rationalizing rules and enforcing compliance should come before starting to reform the rules (OECD/Puma, 2003; OECD, 1995).

## References:

1. Alderman, H., 'Do Local Official Know Something We Don't? Decentralization of Targeted Transfers in Albania', 2002, *Journal of Public Economics*, vol. 82, no. 3, pp. 375-404.
2. Allen, R., 'New Public Management: Pitfalls for Central and Eastern Europe', 1999, SIGMA Public Management Forum, vol. 1.
3. Bekke, H., Kickert, W. and Kooiman, J., 'Public Management and Governance' in Kickert, F. and van Vught, F.A., (eds.), *Public Policy and Administrative Sciences in the Netherlands*, London: Harvester-Wheatsheaf, 1995.
4. Brown, R.H., 'Bureaucracy as Praxis: Toward a Political Phenomenology of Formal Organizations', 1978, *Administrative Science Quarterly*, vol. 23, pp. 365-382.
5. Cepiku, D., 'Public Governance: Overcoming the Ambiguity', in Coghill, K., (ed.), *Integrated Governance: Linking up Government, Business & Civil Society*, Monash Governance Research Unit, Monash University, Caulfield East, Melbourne, Australia, 2005.
6. Cepiku, D., 'La riforma della pubblica amministrazione in Albania', 2002, *Azienda Pubblica*, vol. 1, no. 2, pp. 155-178.
7. CLAD, 'A New Public Management for Latin America, Latin American Centre for Development Administration', [Online] available at <http://unpan1.un.org>, accessed on May 2, 2010.
8. Coman, P., Crai, E., Rădulescu, M. and Stănciulescu, G., 'Local Government in Romania', in *Local Governments in Central and Eastern Europe*, 2001.
9. Dragoș, D.C. and Neamțu, B., 'Reforming Local Public Administration in Romania: Trends and Obstacles', 2007, *International Review of Administrative Sciences*, vol. 73, no. 4, pp. 629-648.
10. Drechsler, W., 'The Re-Emergence of "Weberian" Public Administration after the Fall of New Public Management: The Central and Eastern European Perspective', 2005, *Halduskultuur*, no. 6, pp. 94-108.
11. Dunleavy, P., Margetts, H., Bastow, S. and Tinkler, J., 'New Public Management is Dead – Long Live Digital-Era Governance', 2005, *Journal of Public Administration Research and Theory*, vol. 16, no. 3, pp. 467-494.
12. Dunn, W.N. and Miller, D.Y., 'A Critique of the New Public Management and the NWS: Advancing a Critical Theory of Administrative Reform', 2007, *Public Organization Review*, vol. 7, no. 4, pp. 345-358.
13. European Commission, '2007 Economic and Fiscal Programs of Potential Candidate Countries: EU Commission's Assessments', Occasional Papers 38, June 2008.
14. Gasper, D., 'Evaluating the Logical Framework Approach. Towards Learning-Oriented Development Evaluation', 2000, *Public Administration and Development*, vol. 20, no. 1, pp. 17-28.
15. Goetz, K.H., 'Making Sense of Post-Communist Central Administration: Modernization, Europeanization or Latinization?', 2001, *Journal of European Public Policy*, vol. 8, no. 6, pp. 1032-1051.
16. Hințea, C., 'Country Public Management Profile: Romania', NISPAcee 14<sup>th</sup> Annual Conference, Ljubljana, Slovenia, May 2006.
17. Hofstede, G., *Culture's Consequences: International Differences in Work-Related Values*, Beverly Hills, CA: Sage Publications, 1980.

18. Hood, C., 'A Public Management for All Seasons', 1991, *Public Administration*, vol. 69, no. 1, pp. 3-19.
19. Hughes, O., 'What Is, or Was, the New Public Management?', IRSPM XII Conference, QUT, Brisbane, 2008.
20. Jacobs, C., 'The Challenge of Public Sector Reform in EC Accession Countries: Reflections from the Baltics, Especially Latvia', 2004, *Public Administration and Development*, vol. 24, no. 4, pp. 321-331.
21. Jarvis, C., 'The Rise and Fall of the Pyramid Schemes in Albania', 1999, IMF Working Paper 99/98.
22. Jenei, G., 'A Post-accession Crisis? Political Developments and Public Sector Modernization in Hungary', Working Paper no. 67, Bamberg Economic Research Group on Government and Growth, 2009.
23. Jones, L.R., Schedler, K. and Mussari, M. (eds.), *Strategies for Public Management Reform*, Research in Public Policy Analysis and Management, vol. 13, Oxford: Elsevier-JAI Press, 2004.
24. Kettl, D.F., 'Modernising Government: The Way Forward-A Comment', 2006, *International Review of Administrative Sciences*, vol. 72, no. 3, pp. 313-327.
25. Kickert, W.J.M., 'Distinctiveness in the Study of Public Management in Europe: A Historical-Institutional Analysis of France, Germany and Italy', 2005, *Public Management Review*, vol. 7, no. 4, pp. 537-563.
26. Læg Reid P., 'The New Public Management and Beyond: Towards a Whole-of-Government or a Neo-Weberian Model?', International Conference "Challenges of governance in South Asia", Nepal, December 15-16, 2008.
27. Lapsley, I., 'New Public Management: the Cruellest Invention of the Human Spirit?', 2009, *Abacus: Accounting, Finance and Business Studies*, vol. 45, no. 1, pp. 1-21.
28. Lee, C., 'Towards a Professional Civil Service in Post – Transition Romania', 2009, *Public Administration Dev.*, vol. 29, no. 4, pp. 274-288.
29. Lynn, L.E. Jr., 'What is a Neo-Weberian State? Reflections on a Concept and its Implications', [Online] available at [http://fsv.cuni.cz/ISS-50-version1-080227\\_TED1\\_Lynn\\_Whats\\_neoweberian\\_state.pdf](http://fsv.cuni.cz/ISS-50-version1-080227_TED1_Lynn_Whats_neoweberian_state.pdf), accessed on March 4, 2010.
30. National Agency of Civil Servants, 'Management Report', 2007.
31. Manning, N., 'The Legacy of the New Public Management in Developing Countries', 2001, *International Review of Administrative Sciences*, vol. 67, pp. 296-310.
32. Matei, L., *Romanian Public Management Reform*, București: Editura Economică, 2009.
33. Matheson, A. and Know, H.S., 'Public Sector Modernisation: A New Agenda', 2003, *OECD Journal on Budgeting*, vol. 3, no. 1, pp. 1-21.
34. Meneguzzo, M., Cepiku, D. and Senese, M., *Innovations in Public Management and Governance in Italy*, Aracne, 2008.
35. Mihai, A., 'Romanian Central Public Administration and the Challenges of Europeanization', Working Paper FG2, 2005/03, October, SWP Berlin.
36. Milward, H.B. and K. Provan, 'How Networks Are Governed' in Heinrich, C. and Lynn, L. (eds.), *Governance and Performance: Models, Methods and Results*, Washington, DC: Georgetown University Press, 2000.
37. Ministry of Communication and Information Society, [Online] available at [www.mcti.ro](http://www.mcti.ro), accessed on April 20, 2010.

38. Mintzberg, H., 'Managing Government, Governing Management', 1996, *Harvard Business Review*, vol. 74, no. 3, pp. 75-83.
39. Mussari, R. and Cepiku, D., 'Public Administration Reform in Transition', 2007, *Public Management Review*, vol. 9, no. 3, pp. 353-375.
40. Nikolov, M. (ed.), 'The Future of Local Government Finance. Case Studies from Romania, Bulgaria and Macedonia', Local Government and Public Service Reform Initiatives, Skopje, 2006.
41. Nunberg, B., *The State after Communism: Administrative Transitions in Central and Eastern Europe*, Washington D.C: World Bank, 1999.
42. OECD, 'Governance in Transition. Public Management Reforms in OECD Countries', Paris, 1995.
43. OECD, 'Economic Surveys: Romania', [Online] available at [http:// docstore.ingenta.com/cgibin](http://docstore.ingenta.com/cgibin), accessed on April 20, 2010.
44. OECD/DAC, 'Development Assistance Report 2002', Paris, 2003.
45. OECD/Puma, 'Public Sector Modernization: A New Agenda', 2003, *OECD Journal on Budgeting*, vol. 3.
46. Osborne, S.P., 'The New Public Governance?', 2006, *Public Management Review*, vol. 8, no. 3, pp. 377-387.
47. Osborne, S.P. and Kaposvari, A., 'Non-Governmental Organizations and the Development of Social Services. Meeting Social Needs in Local Communities in Post-Communist Hungary', 1998, *Public Administration and Development*, vol. 18, no. 4, pp. 365-380.
48. Peters, B.G. and Pierre, J., 'Governance without Government? Rethinking Public Administration', 1998, *Journal of Public Administration Research and Theory*, vol. 8, no. 2, pp. 223-243.
49. Pierre, J. and Rothstein B., 'How Should the State Behave? The New Public Management versus the New Weberianism', [Online] available at <http://www.gog.pol.gu.se/.../Pierre%20&%20Rothstein%20%20SOG%20Conference%20Nov08.pdf>, accessed on April 27, 2010.
50. Polidano, C., 'The New Public Management in Developing Countries', Working Paper no. 13, Institute for Development Policy and Management, Manchester: University of Manchester, 1999.
51. Polidano, C., 'Why Civil Service Reforms Fail', IDPM Public Policy and Management Working Paper no. 16, [Online] available at [http://www.man.ac.uk/idpm/idpm\\_dp.html](http://www.man.ac.uk/idpm/idpm_dp.html), accessed on April 27, 2010.
52. Pollitt, C.S., Van Thiel, S. and Homburg, V., *The New Public Management in Europe: Adaptation and Alternatives*, London: Palgrave Macmillan, 2007.
53. Pollitt, C. and Bouckaert G., *Public Management Reform: A Comparative Analysis*, Oxford: Oxford University Press, 2004.
54. Profiroiu, A., Profiroiu M. and Paradeilles A.A., 'General Consideration on the Decentralization Process in Romania', 2006, *Administrație și Management Public*, no. 7, pp. 21-34.
55. Profiroiu, M. and Profiroiu, A., 'Decentralization Process in Romania', 2006, *Transylvanian Review of Administrative Sciences*, no. 16E/February, pp. 115-123.
56. Ministry of Finance, Albania, 'Progress Report on Implementation of the National Strategy for Socio-Economic Development during 2003', Tirana, 2004.

57. Republika e Shqiperise, 'Strategjia per rritjen ekonomike dhe reduktimin e varferise', Keshilli i Ministrave, Tirana, 2001.
58. Rhodes, R., 'The New Governance: Governing without Government', 1996, *Political Studies*, vol. 44, no. 4, pp. 652-657.
59. Romanian Agency for Public Servants, [Online] available at [www.anfp.ro](http://www.anfp.ro), accessed on April 27, 2010.
60. Şandor, S.D., Tripon D.C. and Gârboan, R., 'Învăţământul de administraţie publică – provocări şi dileme', 2006, *Revista Transilvană de Ştiinţe Administrative*, vol. 1/16, pp. 137-148.
61. Schick, A., 'Opportunity, Strategy and Tactics in Reforming Public Management', 2002, *OECD Journal on Budgeting*, vol. 2, no. 3, pp. 8-37.
62. Schick, A., 'Why Most Developing Countries Should Not Try New Zealand's Reforms', 1998, *World Bank Research Observer*, vol. 13, no. 1, pp. 23-31.
63. Schick, A., 'The Performing State: Reflections on an Idea Whose Time Has Come but Whose Implementation Has Not', Background Paper for the 24<sup>th</sup> Annual Meeting of OECD Puma/SBO, 2003.
64. SIGMA, 'Support for Improvement in Governance and Management. Romania Public Expenditure Management System-Assessment', [Online] available at [www.sigmaweb.org](http://www.sigmaweb.org), 2005.
65. Stoker, G., 'Governance as Theory: Five Propositions', 1998, *International Social Science Journal*, vol. 50, no. 1, pp. 17-28.
66. Tudorel, A., Matei, A., Tuşa, E. and Nedelcu, M., 'Characteristics of the Reforming Process in the Romanian Public Administration System', [Online] available at <http://mpra.ub.uni-muenchen.de/19017/>, MPRA Paper no. 19017, 2009.
67. Verheijen, A.J.G., 'Public Administration in Post-Communist States', in Peters, B.G. and Pierre, J. (eds.), *Handbook of Public Administration*, UK: Sage Publications, 2002, pp. 489-499.
68. Weber, M., *Economy and Society: An Outline of Interpretive Sociology*, Berkeley: University of California Press, 1922.
69. World Bank, 'Country Report: Romania', [Online] available at [www.worldbank.org.ro](http://www.worldbank.org.ro), 2007.
70. World Bank, 'World Development Report 1996: From Plan to Market', Washington D.C., 1996.
71. World Bank, 'Reforming Public Institutions and Strengthening Governance', Washington D.C., 2000b.
72. World Bank, 'Albania: Decentralization in Transition, Volume II: Analytical Report, Poverty Reduction and Economic Management Unit', Washington D.C., 2004a.