Stanka Setnikar-Cankar<sup>1</sup> Srečko Devjak<sup>2</sup> Review article UDK 35.07: 35.073.52

# DEVELOPMENT AND TRANSPARENCY OF PUBLIC ADMINISTRATION AS A FACTOR OF ECONOMIC DEVELOPMENT<sup>3</sup>

#### ABSTRACT

An efficient and well organised public sector is in the interest of economy. Modernisation of public administration and enlargement of its effectiveness is a continuing process which demands increased accountability and transparency of its operation. The development of a modern public administration must include citizens as partners, who co-design its operations. As an example, the means of informing citizens is shown by the system of budgetary indicators of Slovenian municipalities. This system of indicators guarantees public finance transparency and control, as well as a more rational means of use of funds.

**Key words:** competitiveness of economy, public administration, efficiency, transparency, budgetary indicators, participation of citizens

#### 1. Introduction

Globalisation presents countries with a new role which must be also adapted to their institutions and functions.

The old emphasised regulative role of countries is now making room for new partnership roles, in which the country, together with all its social sub-systems as equal partners, is concerned with a successful development. The task of strategic directing of the economy is the search and realisation of conditions leading to the competitive success of enterprises on the most developed of world markets. The intent of economic policies is the improvement of enterprises' abilities to adapt in fast changing world-wide economic conditions. Due to close links and correlation which rule among

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economic and non-economic markets, it is impossible that changes in systems in the area of economy would not result in changes also within the public sector. An efficient and well-organised public sector is also in the interest of the economy. The reform of the public sector is a process, which is presently taking place in the developed countries of the world, as well as in countries in transition. This process is the result of the extremely fast and dynamic development of the social system, which also calls for a suitable adaptation and development of administrative systems.

Incentives and coercion inviting changes in any economic system are external whenever objective conditions of its operation forces employed persons to seek alternative solutions when not satisfied with the results attained. Practice has shown that elements which lead to such an approach are to a sufficient extent present in a competitive market system. In environments, in which open and competitive market systems operate, there exist enough motivations for changes in practices.

Considerably different is the situation in the activities, which do not operate under market conditions and in which suppliers of products or services are monopolistic. In this case, there are practically no external economic forces for change in the existing business practices and guarantee of products or services (Price W., Young 2003). The absence of the possibility of choice often deters buyers and users from demanding the desired amount of goods, higher quality, timely services, and professional and proper conduct. One can often find such a situation in the area of public sector, where the complete lack of any competition and choice is characteristic of the majority of services of state administration. This fact is resolved in developed nations through increased participation by citizens in decision-making, leading to the development of quality, transparency, control and evaluation of the operations of the public sector.

The influence of states on the development of the economy can be direct or indirect. The state can also impact the economy indirectly, particularly by designing a suitable business environment and through general development of the public sector. For the realisation and promotion of economic development of countries in transition and for their preparation for accession to the European Union and for the general development of the public sector, the development of state and public administrations is therefore necessary. The priority areas are:

- to render the state administration capable of co-operating with the business sector and establish a partnership for elimination of administrative obstacles,
- development of all functions of the public sector which indirectly affect the development of the business sector (education, social and child welfare, health, etc.) through the introduction of a system for measuring quality of service.
- democratisation and participation of citizens as the fundamental merits for modern development of social systems. In decision-making in matters of public interest, citizens must be treated as co-creators of operation and the public sector and not only as users.

In the article, several efforts in introducing transparency and control by the public over public financial processes within Slovenian local self-government will be presented.

# 2. Correlation between development of the economy and the public sector

#### 2.1. Correlation and complexities of developmental projects

Developmental activities in the public sector are much more apparent in countries in transition than in developed nations. These are changes which have been lagging behind and must be made up for in the development of democratic processes of the near past.

Reorganisation of operation of the state administration defines two important goals in the strategy of reform: greater producitvity and better quality of service (Setnikar-Cankar, Andoljšek, 2003). The state administration in countries in transition represents the core of the public sector and the information mechanism of the state, which notes, collects and processes information and, on their basis, prepares decisions for the needs of the entire system. All state bodies operate and make decisions based upon these principles – from the legislative level, to the executive (governmental) level and to the administrative level. If the state administration is not operating properly, its deficiencies necessarily reflect on the whole system. This explicitly means that all developmental projects must include all viewpoints of reforms: legal, administrative, organisational, economic, financial and informational. Only the integrity of approach ensures the best results. In economy, the project ways of integral solving of outstanding issues have been a long-lasting practice. The best results have also been attained in this area which have impacted the economic results of business operations in a positive way.

The experience of the European Union Member States shows that modernising administrations and increasing their effectiveness is an enduring process which demands additional means and trained personnel whose number is usually lacking. To facilitate this process, four basic conditions must be fulfilled (Synnerstroem, S., 1999):

- External pressure must be placed on administration to change, modernise and to become efficient. This pressure arises from the economy which demands quality services from administrations.
- The integrated approach to planning and implementing projects of reorganisation. Separate reforms, even if well prepared and implemented, do not lead to integral changes and do not give the desired results.
- Incorporation of all necessary elements for the reorganisation of operations. It is unrealistic to expect a more effective operation without the needed, if sometimes also unpopular and painful measures: elimination of unnecessary jobs, introduction of elements of privatisation and increased responsibility among others.

- Expectations that methods successful in the private sector of the economy can be applied, have their limits and limitations in the particularities of the public sector. Their haphazard use may cause more harm than good.
- Political goodwill and support for changes are needed. Reform of public administration is an exacting project which must not be dependant on daily politics.

Reform in the public sector can only be implemented on the basis of a shaped consensus among ministries, public agencies and legislative authorities, as no one can implement this solely: all public institutions, associated with operations of enterprises, must fashion an organisational structure which encourages harmonisation and maximum efficiency.

Countries which have been especially successful in the last ten, fifteen years in upgrading public administration can applaud themselves with exceptional economic growth, inflows of foreign investment and low levels of unemployment. A good example is Ireland.

A thorough renewal of public administration, respectively the removal of administrative obstacles, was a decision also made by the government of the Republic of Slovenia. Thus, together with the guidance of stable and developmental public finance policies, it has demanded a continued strengthening of economic competitiveness and a more effective, people friendly administration.

## 2.2. Measures for a more effective public administration

The Republic of Slovenia started with the reform of its public administration in 1997 upon the basis of then adopted Strategy of Reform of the Public Administration. This foresaw only the acceptance of the new legal framework for the organisation and operation of public administration. As a result, the government of the Republic of Slovenia actively intervened, particularly after 2000 in various areas of renewal of public administration, which has already showed good results (Strategija 2003).

# (a) New laws for the organisation and operation of public administration

In the first half of 2002, all basic laws had been adopted: Civil Servants Act, Public Administration Act, Public Agencies Act, Inspection Act, Salary System in the Public Sector Act, which should have an influence on (Črešnar-Pergar, 2002):

- the decrease in the number of bodies composing ministries and government offices.
- the decrease in the number of functionaries in public administration,
- the transfer of tasks to public agencies which can more easily introduce contemporary methods of management,
- the transfer of public tasks to private business operators,
- the privatisation of public companies and institutions, and

- a transparent system for recruitment and promotion.

The proposal of the Civil Servants Act foresees or introduces some institutes which have been recognised in the private sector for a long time:

- rationalisation, comparative to a system of redundancies in the private sector,
- determination of the effectiveness/ineffectiveness of civil servants,
- a career system (promotion and demotion),
- the transfer of public employees,
- an enduring learning process ("a learning administration").

## b) Elimination of administrative obstacles and simplification of procedures

Within normative regulations quite a number of demands and regulations have accumulated, unnecessarily burdening citizens, especially small and middle-sized enterprises which do not have as much human resource potential as big companies. The regulatory environment is rigid and a number of bureaucratic obstacles, particularly complicated and long lasting administrative procedures, are suffocating entrepreneurial initiatives. The program for eliminating administrative obstacles is aimed at simplifying procedures, eliminating unnecessary procedures, merging of procedures (i.e. merging the location permit and the building permit), and shorting procedures and their time-limits. The goal is to facilitate the administrative environment for business and to unburden civil servants and to eliminate backlogs. In conjunction with this, the government of the Republic of Slovenia, in 2003, adopted restrictions for new employment in the public sector.

# c) Goal orientated training of employees

Only those exceptionally qualified employees together with experienced state officials can guarantee a more dynamic administration. Through special programs, schooling is made available to the most perspective of public employees at re-known foreign and national universities.

#### d) Introduction of quality in public administrations

Quality in public administration is ascertained through the introduction of various standards of quality, particularly with the standards of ISO and the model of business excellence CAF. The regulation on business hours, official hours and working hours of bodies of public administration, adopted in March 2001, is useful for users due to the harmonisation of business hours of various bodies of public administration.

The regulation on the manner of operation, as a combination of good practices of individual administrative bodies, foresees procedures for assessing the quality: surveys to determine customer satisfaction, the introduction of an informer, a book of complaints and praise, as well as informing customers of the status of procedures.

#### e) E-administration

Results of e-administration can be divided into two groups (Vintar, 2002):

- internal, e.g. the co-ordination of public records and
- external, e.g. greater accessibility to electronic administrative services for citizens and enterprises, access to public information for various users and establishment of a dialogue with the private sector and civil society (e-democracy), the project Uniform web page of administrative units (drafting of a catalogue of life circumstances).

Previous experience with the reform of public administration and operations of the commission for elimination of administrative obstacles in Slovenia has shown that it is not possible to intervene simultaneously in all areas of operation of public administration. Exceptionally important is political consensus and support for the program which will, in the future, intervene in (Črešnar-Pergar, 2002):

- reducing or ceasing the growth of the share of public consumption in the GDP,
- increasing the effectiveness of civil servants (analyses show large differences among employees, up to a ratio of 1:10 in issuing administrative decisions),
- decreasing the number of employees in the public sector (additional education is needed for this step),
- improved use of state assets (e-commerce),
- improved co-operation with civil society and its inclusion in the preparation of regulations.

### 2.3. Extent of public consumption

Another point of view having a direct effect on the competitiveness of the economy is determined by the amount of public consumption or, respectively the burden on business operators from contributions and taxes. Two groups of reasons influence, in general, the growth of the public sector: demands on the state are increasing, as well as the needs of the state (Pevcin, 2003). The heightening of the meaning and magnitude of the public sector in the sixties to the eighties of the previous century (OECD, 2001) was a result of the strengthening of its function in three basic areas: in the area of external and internal security (maintenance of social order), in the area of co-operation in the production (public companies) and in the area of securing infra-structural goods and services of social activities. Hence, a huge difference in the amount of public finance expenditures among developed nations in the above mentioned period can be observed.

Globalisation causes greater demand for stabilisation of unstable and saturated market through interventions whose financial source comes mainly from the budget. Social-economic development leads to increased needs, and with this greater demands for the allocation of public resources. Elasticity of income and demand for public goods and services leads to increased income, other conditions remaining the same,

resulting in an increased demand for public goods. The prevailing leftists have induced an increase in the budget since these parties lean towards a greater redistribution of revenues and public securing of goods and services.

Certain state expenditures often serve to acquire short term political popularity, but have a disadvantage, that they are difficult to reduce. Thus, politicians attempt, above all, to directly influence their popularity before elections and thus, to gain a re-election. One of the instruments of influence is also state expenditures with which certain programs are financed. Non-optimal voicing of demand for public goods through political institutions can be detected. Benefits are directed through these laws solely to groups with political or financial power, expenditures however, are distributed among all taxpayers. With increased public consumption, the possibility of unmonitored use of resources is increased. The budget can be based on a fiscal illusion in reference to the relation between expenditures and benefits. At the same time, the growth in productivity in the public sector is, as a rule, less than in the private sector, therefore leading to an increase of relative costs of public goods. Since the demand for public goods is price inelastic, the extent of expenditures for goods and services of the public sector is absolutely and relatively increasing.

During the last few years, a gradually decreasing share of state expenditures or public consumption in the gross domestic product had been noted (OECD, 2001). In former socialistic nations, the proportion of public consumption in terms of GDP decreased considerably in the 1990s aided by changing social orders, privatisation of the economy and a decreased economic role, so that today it is comparable to percentages found in developed capitalistic nations. Public spending has comprised around 45% of GDP in Slovenia in the past few years.

The extent and structure of state expenditures can, to a large extent, be directly influenced by legislative and executive power through targeted and implemented economic and fiscal policies. The particular theory known as the Positive Theory of Size and Structure of Public Spending was formulated (OECD, 2001) particularly as a result of this.

#### 2.4. Economic regulation

Market oriented developed nations, having been faced with unfavourable economic results, unemployment, budget deficits, inflation, as well as other negative results, introduced reforms in the public sector which initially changed objective conditions of operations in large or smaller areas of the public sector. When competition in activities, present in public companies, is not possible, the state encourages competition through mandatory public tenders, concessions and contractual performances of activities. This process of privatising and commercialising the public sector is above all the result of external pressures from nations who through the use of institutional remedies attempt to expand their effectiveness. Economic regulation can be equated with overseeing the effectiveness and success of the operations of the public sector (value for money audit).

The new rules on the operations of the public sector demand a preliminary definition of standards of operation which determine the extent, quality and access to services, the ascertainment of operational results and the establishment of mechanisms to influence users and payers of services.

One can ask what the results of economic regulation in Slovenia have been in comparison to the experience of other nations. Unfortunately, the results vary considerably among sectors and have not been evenly systematised. Economic regulation regarding ex ante predetermination and efficient use of funds, rational, normative productivity of employees (where measurements can be made), the possibility of performance of certain activities with contractual partners, harmonisation of prices with actual costs, the relation between the portion of revenue from performance of public service and the share from activities on the market, the amount of salaries and proportional share of activities on the market, financial surplus at the end of the year, is not yet being performed in Slovenia. Data show that, economic regulation, as an example, is non-existent for public institutions. Rightly, this should be the duty of the relevant ministries and Ministry of Finance. How important this is in the area of total public spending is shown by the data in which revenue received by only public institutions in Slovenia in 2002 from the budget, comprised 35.6% of the revenue from the consolidated balance sheet of the public sector, receiving an additional 66 billion SIT of revenue from the market, which made up 1.1% of GDP (Kranjec, 2003). Although the shape of economic regulation of public institutions differs from those in for example public utility services, the ultimate goal remains the same: as much savings for consumers as viable, who, in this case are the taxpayers.

All this disorganisation is probably the result of transition into a market economy, in which naive expectations existed that the introduction of a market and market legislation would suffice, even if structural conditions demand regulation (for example public utility services). With regard to the large number of contrasting areas, one model is not sufficient; needed are various approaches, which could be obtained based on the experience of nations where the internal controls have already been implemented. The experience of certain nations show that cuts in expenditures is possible by sufficiently changing the rules which regulate the procedures for the creation and allocation of the budget, as well as regulations which stipulate the practice of disposal of public funds.

#### 2.5. Transparency as the developmental factor of the public sector

Transparency and responsibility in the public sector are the key developmental factors, which are increasing in importance in contemporary societies. Including citizens in the decision-making process in matters in the area the public sector is chiefly conditional on its manner of informing. Thus, as it is important to inform the public of goals and tasks handled by the public sector (Allen, Tommasi, 2001), their realisation is also important. In countries with a highly developed democracy, various public finance documents and programs are disseminated to the public encouraging a rating of the proposed programs before their reading and adoption by the government or parliament

(Allen, Tommasi, 2001). Co-operation of citizens in rating the presented documents cannot be feasible, unless the interested parties have adequate information. Thus, the development of responsibility in the public sector is linked to the development of a transparency of the operational system of the public sector and its financing, supplemented with an information system, such as the development of a system of standards and norms for all categories of services and tasks in the public sector. Only the development of the latter will allow a rating of the achievements of the operations of the public sector by means of modern criteria associated with a measured achieved standards and measurement of citizen satisfaction.

# 3. The experience of Slovenia in the development of transparency in the public sector

#### 3.1. Developmental activities of Slovenian public administration

The success of public administration and the responsibility of public servants with regard to development and implementation have been more or less intensive in Slovenia since its independence in 1991.

A number of activities marking the beginning of a rating of results of the work performed by employees in the public sector have been in force in Slovenia, such as:

- administrative units with programs to introduce quality standards,
- courts with measuring of backlogs,
- schools with external examinations, duration of studies,
- health care with rating of economics and efficiency (Bohine, 2000),
- municipalities with publishing budgetary data and rating and publishing of results on the performance of public services (interested municipalities: quality of service, price of services, etc.).

In any case, demand from the public to assess the success and quality of the operations of the public sector is rising in Slovenia. Regrettably, the public sector is, to a great degree, still a closed system, and results of its operations are not presented to the public in a transparent and understandable fashion. This means, that information in many areas is not accessible, though possible to obtain with patience, but, nevertheless not presented to the public automatically and in a consistent and transparent manner and in a form understandable to the least competent public even if not to a wide circle of users and citizens.

This situation has been gradually changing due to various reasons:

- throughout the world various forms of disseminating information to the public on the workings of the public sector and use of budgetary funds are being implemented, having been more often implemented in Slovenia during the process of accession to the EU,

- journalists are broadcasting and spreading this new knowledge and trends of development in democratic societies through every mode of media receiving a positive response from the public,
- informing of the public on implementation of tasks of public importance and development of democracy in nations is linked to a rise in the participation of residents in decision-making and is gradually spreading to other areas of the public sector,
- the affinity to administration is changing and exacting ever better services and training and implementation of scientific research into practice. The essential contribution to development of public administration in Slovenia has also been the formation of the Faculty for Public Administration, founded as a university.

#### 3.2. A system of budgetary indicators for Slovenian municipalities

Control and monitoring of the results of the workings of the public sector in certain developing nations important is the realisations, the standpoints and the approaches in developed democratic nations. The code of fiscal transparency, the European Charter and computer generated indicators on the performance of the public sector in Great Britain have greatly influenced the measurement of performance of Slovenian local self-government (<a href="http://www.auditcommission.gov.uk/ac2/NRfirst.htm">http://www.auditcommission.gov.uk/ac2/NRfirst.htm</a>).

The Faculty of Administration joined the development of budgetary indicators for Slovenian municipalities to provide full information to the public on the use of budgetary funds by Slovenian municipalities.

When designing the system of indicators, we used the basic definition of an indicator, understood as numerical information or user-directed message. Suitably formed information must be understandable to users, complete, accessible via a suitable medium and help in the decision-making process.

In the public sector, particularly on the level of local communities, measurement of performance is difficult and challenging to present in absolute terms, unlike the business sector, as an example, through profits. A relative method of measuring performance is established in the public sector. The measure is usually relative (i.e. per conditional unit) and expressed in correlation to the results of similar groups through benchmarking (Ball, A., Bowerman, M., Hawksworth, S.: 2000). The rank which the chosen unit achieves among comparable units is certainly one of the key criteria of its performance. The experience of developers of analogous systems abroad show that a rank is the most suitable and most understandable form of presentation of the result attained by a certain unit of the public sector.

The indicators are formally divided according to the contents of their message. Thus, they can be simple (elementary or analytical indicators determined for an individual quantity, usually calculated per conditional unit) or composed or synthetic indicators. Synthetic indicators offer a more expansive presentation of the performance of the observed unit, whereas analytical indicators have a clearer representation. There must

be as few synthetic indicators as possible, yet clarified through a system of analytical indicators.

The structure and form of data in a system of indicators have been adjusted to the needs of their users. Among users, information was, above all, made available to residents, professional municipal services, journalists, political parties and scientific research and educational institutions. The system allows control of data organisation in municipalities and implementation of further scientific and research analyses.

The initial presentation of the basic structure of the system of budgetary indicators for Slovenian municipalities was made public in March 2003 at the Faculty of Administration. The system of budgetary indicators for Slovenian municipalities is comprised of 5 – synthetic indicators, 17 indicators for budget revenues and 53 indicators representing budget expenditure.

Regarding available information, five synthetic indicators were chosen, important for the establishment and support of budgetary discipline and economic handling of budgetary funds:

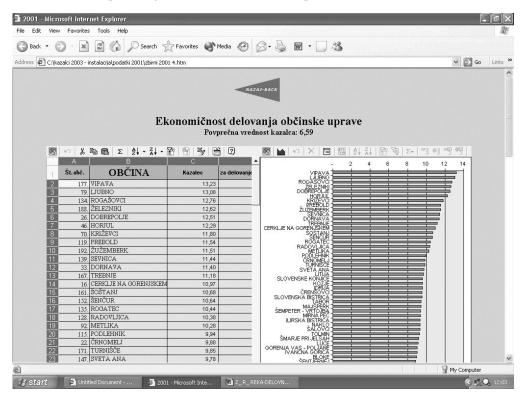
- the degree of financial sovereignty of a municipality: the share of municipal taxes in the total revenue of a municipality,
- the degree of financial integration of a municipality with the state budget: the share of municipality's revenue from the state budget in the total revenue of a municipality,
- the degree of investment propensity of a municipality: the share of investment expenditure of a municipality in the total expenditure of a municipality,
- the economy of administration of the municipal budget: the relation between the total budgetary expenditure and expenditure for municipal administration,
- activation of budget expenditure: the relation of budget expenditure to budget revenue, showing a shift in the dynamics of usage of budgetary funds. This indicator is presently significant as municipalities do not present their assets in suitable balance sheets. It allows control over multi-annual budget surpluses and deficits.

Analytical indicators of revenue and expenditure have all been calculated per inhabitant allowing comparisons among municipalities.

The values of the indicators are supplemented by graphs, which additionally demonstrate changing values of indicators, so enriching the information (Razmi et al. 2000).

Within these illustrations it is also possible to perform comparative analyses for smaller groups of municipalities, as is also to enter data into the computer program Excel for additional analyses.

Figure 1
Web page showing indicators "The economy of administration of municipal budget" for Slovenian municipalities



Source: http://www.vus.uni-lj.si/sib/vhod.htm

In the system of budgetary indicators of Slovenian municipalities, the previous three budgeted years are presented: 2000, 2001 and 2002. These figures allow for a look into the dynamic point of view of the design and use of budgetary funds, which for analysts, is one of the chief advantages of this system.

As a result, one can find and explain various budgetary phenomena and observe that the values of indicators change considerably from year to year. Nevertheless, it is prudent to deal with and explain certain movements in ranks also for longer periods, since possible rules in the workings of municipalities are brought to light.

The reader can have a more detailed look at the computer generated »Budgetary indicators of municipalities« on the web page: http://www.vus.uni-lj.si/sib/vhod.htm.

Certain provisions of the Code of fiscal transparency can be realised through the system of indicators. This system developmentally encourages municipal administration and functionaries with the proper design and distribution of budgetary

funds to the municipality. Every user of the system of budgetary indicators is offered the chance to be included in the decision-making of local groups.

The awareness thus far obtained upon introduction of the system of budgetary indicators on the web was, to a large extent, expected. We are especially satisfied that the first contemporary and complete system of indicators, able to be extended to all areas of public finance usage, was presented to the public. The reserved regard of certain groups of the public to the presentation of these indicators is, in our opinion mainly the result of poor communication in this area and non recognition of the problems of contemporary methods of measuring performance in the public sector. While presenting the system of indicators, the importance of the media was recognised (Croft, S., Beresford, P., 1993) for the usage of such information systems. The media should, in such cases, play not only an informative role, but also an educational one.

#### 4. Conclusion

Enlarging the effectiveness of the public sector, and thus economic competitiveness, demands on the one hand a greater control over the operations of the public sector due to decreasing burdens to the economy and rational use of budgetary funds and, on the other, greater autonomy of the public sector so as to increase its effectiveness, success and quality.

The concept of joining old administrative principles and new market principles with the aim of creating a more quality orientated and rational administrative system certainly presents an intellectual challenge. Modernisation does not mean a simple abandonment of existing systems and their replacement with new ones, but to a large extent, a rationalisation of existing systems, while respecting their characteristics of operation. The idea of administrative reform is the prevailing concept in Europe, symbolising the constant need for changes, realised through various forms such as the reform of the organisation of ministries, budgetary reform and reform of local self-government (Kemp S., 2002). Changes in the organisation, manner of administration, number of employees, technological facilities, number of organisational units to mention a few, have an effect on changes in consumed resources for this purpose.

Experience gained from the majority of developed nations show that greater effectiveness, as one of the goals of the reform, has always been supplemented by the demand for legality, responsibility and contemporary respect for acceptable modes of conduct. Occasionally, with this arises the additional question of fairness and ethics. The demand for effectiveness may run into restrictions emerging from rules, procedures and stipulations as defined by law. Very similar findings are seen also in Slovenia having taken the first steps in introducing rational procedures and a system of indicators. It is also important to remember from the experience of a majority of nations that the first measurable results usually appear after several years.

Inasmuch as with the development of the public sector monitoring and control is guaranteed, participation of citizens in decision-making is made possible, realising the

process of democracy in societies. Development of a modern public administration must include the citizens as partners who co-design its operations. This encompasses definitions of standards of operation, scope and quality, as well as accessibility to these services. A more rational use of public finance funds and a greater effectiveness of public administration will be the necessary result.

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# RAZVIJENOST I TRANSPARENTNOST JAVNE UPRAVE KAO ČIMBENIK EKONOMSKOG RAZVOJA

#### SAŽETAK

Djelotvoran i dobro organiziran javni sektor također je u interesu gospodarstva. Modernizacija uprave i povećanje njezine djelotvornosti je trajan proces koji traži povećanje odgovornosti i transaparentnosti njezinog djelovanja. Razvoj suvremene javne uprave treba uključivati građane kao partnere koji suoblikuju njezino djelovanje. Kao primjer načina informiranja građana prikazan je sustav proračunskih pokazatelja slovenskih općina. Sustav pokazatelja osigurava javnofinancijsku preglednost i kontrolu te racionalniju potrošnju sredstava.

Ključne riječi: konkurentnost gospodarstva, javna uprava, djelotvornost, transparentnost, proračunski pokazatelji, sudjelovanje građana.

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