

Public administration's added value to the competitiveness of national economy*

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Abstract

The paper presents an explorative study in respect to the public administrations' added value to the competitiveness of national economies in the context of the Lisbon Strategy. The main research goal was to explore role of governments and their administration in sustaining competitiveness of national economy and to discuss it from different perspectives. As the research methodology we combined comparative analysis of two consecutive studies on public administrations' added value to the Lisbon Strategy goals performed in 2008 and 2010, with analysis of Lisbon Strategy evaluation conducted by the European Commission, and practical illustration on the case of Slovenia in the context of the Lisbon Strategy and the Europe 2020. Three main components of the hypothesis: (1) need for incorporation of the public administration modernisation and development into developmental goals of the state, (2) monitoring and adjusting the implementation, and (3) identification of interconnections and complementarities for better use of resources were explored and verified in the contexts of Lisbon Strategy adding value to the national competitiveness. Within the research, the hypothesis was proved, as well as the relevance of all three components, especially in the circumstances of the global economic crisis. The main contribution of this paper is explorative description of how governments may, through their public administrations and by implementing and integrating their various roles and activities, add value to competitiveness of their national economies. In the paper some institutional implications are presented, as well as possible areas for further investigation and research.

Key words: competitiveness, public administration, Lisbon Strategy, Europe 2020, EU member states

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1. Introduction

Contribution of the government sector to the competitiveness of national economy has been more thoroughly investigated by researchers and experts especially since the previous economic crises in the 70's and the raise of the new public management. According to Ferlie et al. (1996) four models of the new public management which strengthened economic view on government sector and public administration have emerged: providing efficiency, downsizing and decentralisation, establishing business excellence and public services orientation – the first two being closely connected to reducing costs for functioning of public administration, and all four containing more or less explicitly expressed components and concepts of quality public services, value for money, and 'not one size fits all'. If the earlier analyses were more oriented towards searching of solutions for better usage of the resources and the efficiency (doing things right), are later analyses connected to broader aspects, such as effectiveness and impacts (doing the right things) in the sense of providing an increased added value. Consideration of the state and its role in prospering of national economy changed substantially, from deeply established believe that state is something nobody can escape from towards seeing it as a partner that in close cooperation to private sector creates synergy for business organisations and citizens (Drucker, 1989; Ferfila, 1994; Pusić, 1995).

In Europe, the process of uniting the countries into the supranational entity, the European Union (EU) substantially contributed to economisation of the role of national states. At the same time as executing of that role also other roles of the state were strengthened: its social role, role of a state as provider of quality public services to its business organisations and citizens (Osborn and Gaebler, 1992; OECD, 1999), state as provider of the institutional framework for exercising democracy, state as decision-maker in testing private interest against the public interest (Pusić, 1995: 36-37), etc. Simultaneously to the development of public management and public governance, also demands of citizens increased substantially (Shand and Arnberg, 1999; Carneiro, 1999) in respect to the nature as well as the quality of relations and interactions (Graham, Amos, Plumptre, 2003). The right to good administration has become standard (Niewiadomski, 2003: 41); after being an appeal not a long time ago it has now evolved into the norm.

The European Union as a supranational entity has above exposed aspects continuously included into the apparatus that EU established for its own functioning and further development. Whereas the basic postulates and requirements of its existence were adequately placed into the Community treaties and defined in common rules, the *Acquis communautaire*, the requirements in respect to national public administrations have never become part of that. In this regard, the European Union respected different national contexts, history, tradition, maturity levels etc. (Bugarič, 2003) yet at the same time demanded from its Member States to provide

and guarantee homogeneous level of efficiency and quality of public services they provide (Nicolaidis, 2003; Žurga, 2005).

Awareness and acknowledgement of the importance of public administrations in executing the Community regulation and in providing the homogeneous level of efficiency and quality public services on the whole EU territory resulted in establishing the European Public Administration Network EUPAN, in the year 1998. EUPAN was established as informal network of ministers responsible for public administration and is operating in three central areas: quality of public services, human resources management and e-government. Since 2004, in connection to major enlargement from EU15 to EU25 and based on the Lisbon Strategy from 2000, functioning of the EUPAN is closely connected to manners and approaches how could the EU national governments through their public administrations at most contribute to realisation of the Lisbon Strategy goals and consecutively, to improved competitiveness of national economies.

Different types of research were conducted in respect to the role of public administration in the context of economic growth and competitiveness. As for example, research in 2007 explored links between public administration modernisation, efficiency of public spending, governance and economic growth (St. Aubin, 2007). Correlations between efficiency and governance, as well as between different measures of governance and labour productivity were shown. Additionally, the research proved that some governance features are more important for growth, namely: the law and order (including judicial system and control of corruption) and quality of regulation. Also comparative studies of international organizations such as the World Bank or the OECD, or countries' reviews are very important in this regard. Importance of roles and activities of governments and their administrations is being reflected in different competitiveness indices (the World Economic Forum global competitiveness index, or the IMD competitiveness index) where their compound structures suggest the importance of individual aspects of government activities to the competitiveness of national economy.

The economic activity of a country always requires appropriate management frameworks. In this context, governments play numerous important roles, including the regulatory role, the role of owner and entrepreneur, promoter, buyer, income promoter, demand manager and international representative. Metcalfe (2010) states that public management in respect to economy is a combination of all the roles mentioned. The challenge is that the variety of roles also requires appropriate coordination among them, and a conflict of roles can also arise.

For each state, competitiveness of national economy is crucial for its further development and prosperity. In the EU, competitiveness of the whole region is put in centre of its existence what is reflected also in strategic goals of the EU. In March 2000, the Lisbon Strategy (LS) was adopted with the main goal for the EU to become

the most dynamic and competitive knowledge-based economy in the world by 2010. In order to achieve that EU needed to increase its productivity and competitiveness in “the face of ever fiercer global competition, technological change and an ageing population” European Commission (2010: 2).

Important role of public sector was recognised in respect to achieving the LS goals. As being one of the largest sectors in every society (Määttä, 2007), “public sector is influencing society and its actors, directly and indirectly, by making and implementing policies, imposing regulations and control, collecting taxes and providing services. Consequently, its role and influence on growth and employment is based on multiple interventions in the everyday life of people and companies. The public sector’s ability to provide good quality and efficient administration and services depends on their internal structures and competences relating to expertise, management and leadership”. Also the size of public sector is considerable, with a share of approximately 45 % of government expenditure (EU average) of the annual GDP (Määttä, 2007: 24). However, as it was proved within the comprehensive research on public sector performance (Social and Cultural Planning Office, 2004) “a high level of expenditure does not necessarily guarantee good performance in terms of the provision of public services” (Böger, 2004: 1). Consequently, several questions arise, i.e.: *What would be appropriate ratio between quality and efficiency of public services? Which are the drivers for better public services provision in the context of the Lisbon strategy?*

As all Member States (MS) defined their national Lisbon Strategy programmes, research questions in this respect are: *Which measures were taken by the MS in respect to development and modernisation of their public administrations in order to support realisation of the Lisbon Strategy goals? How are these measures interlinked in a MS? Are they designed in a way to produce synergy? How do these measures differ among the MS?*

The Member States defined different measures (projects, initiatives) in respect to foster development of their public administrations. Some of them were based on the development achieved so far and country’s development priorities and goals, and some being defined on the bases of the EU recommendations. Questions in this respect are: *What are similarities in the approaches of the EU Member States? How the outcomes of measures taken were measured? Which measures taken contributed the most added value?* This particular question was the core research question in the study performed in the EUPAN in 2008, entitled as “Evaluation of public administrations’ added value to the Lisbon Strategy goals” (Žurga, 2008). 26 of 27 EU MS participated in the research, providing information on their national action programmes to support the Lisbon Strategy, on the co-ordination process at national level, and 25 of them provided national cases that in their opinion substantially contributed to achieving LS goals in the field of their public administrations. Second research with the same title was conducted in the year 2010 (Hidalgo, 2010), as a continuation and a follow-up study of the 2008 research.

Both pieces of research were conducted among the EU MS and were following the same research question. However, they were performed in the substantially different economic circumstances. The basic research question being “which actions launched within the National Action Programmes for achieving Lisbon Strategy goals, related to their public administrations, contributed important added value” is now challenged by influence of the changed conditions.

The Lisbon Strategy has not brought the results as expected. Due to new circumstances and challenges caused by the world economic crisis, the European Commission (2010) has determined three main features of further development for the EU for the period of the next ten years: smart growth, sustainable growth and inclusive growth within the Europe 2020 – a new strategy for smart, sustainable and inclusive growth. Relevant questions now are those connected to the new strategic programmes for achieving desired further development of the EU – both at the level of the EU as well as at the level of the MS: *Which actions/measures to be defined to contribute to realisation of the Europe 2020 goals? How to assure synergy? Which are government activities needed for establishing circumstances for restoration of economic activities?*

On the bases of presented questions we set up the following hypothesis:

“To assure that programmes and projects in respect to further development and modernisation of public administrations contribute added value to competitiveness of national economy

- they have to be connected to clearly defined developmental goals and policies;*
- the means for monitoring and adjusting their implementation have to be established;*
- interconnections and complementarities with other programmes and projects have to be considered and established*

aiming in providing synergies and better use of the resources.”

To test and verify the hypothesis following methodology was used:

- Research on public administrations' added value to the LS goals, performed in 2008;
- Research on public administrations' added value to the LS goals, performed in 2010;
- Analysis of the Lisbon Strategy evaluation, prepared by the European Commission;
- Illustrations of connections and interactions of strategic goals, policies and concrete measures with economic competitiveness on the example of Slovenia, in the context of the Lisbon Strategy and the new Europe 2020 strategy.

Based on the problem definition and the hypothesis set structure of this paper is as follows. First, we present the methodology used and the results of researches performed in 2008 and 2010, analysis of the LS evaluation prepared by the European Commission, and present the case of Slovenia in the context of the Lisbon Strategy and the Europe 2020 strategy. Second, we discuss findings of the overall research in respect to the hypothesis set. Finally, we conclude with some reflections and lessons learned which show need for integration and co-ordination of the goals, policies and measures at different levels in order to contribute at most to the competitiveness of national economy, point at some possibilities for further research, and explore some institutional implications.

2. Research methodology

The four elements of the research methodology used are presented in more detail.

Research projects in 2008 and 2010 entitled as “Evaluation of public administrations’ added value to the Lisbon strategy goals” were performed within the European Public Administrations Network EUPAN. The first research was conducted by Slovenian presidency to the Council of the EU in the first semester 2008. Its results were provided for the 5th quality conference in public administrations in the EU in October of the same year, following data collection and analysis in the Innovative Public Services Group (IPSG) of the EUPAN, and additional consultation process with other EUPAN working groups, namely the Human Resources working group and e-Government working group. Research data was contributed by 26 of 27 EU MS, through a template for providing country information that included following questions:

- Co-ordination at the national level:
 - Which is the body and/or level of co-ordination; What is its relationship towards (other) ministries and other institutions in the country;
 - How is the whole process of co-ordination organized / functioning;
 - How are different policy areas being co-ordinated?
- Short summary of the part of National action programme related to the functioning of public administration system in connection to the Lisbon agenda:
 - Which are the goals in this respect (defined at national, regional, local level);
 - Which are the projects included;
 - How are/will be measured their results? Can you provide concrete indicators?

- Description of one example / country project which you consider contributes to the Lisbon agenda at most:
 - Title of the project
 - Responsible institution / person for implementation of the project
 - Purpose, goals and objectives of the project
 - Short description of the project's content
 - Approach to the implementation, main activities, duration
 - Results and impacts, and how are they measured
 - Short description of the project's contribution to the Lisbon Strategy goals
 - argumentation why this project is representative for the country
- Possible recommendations for further exploring the connections between functioning of public administration and achieving the Lisbon Strategy goals, based on the national experience.

As the 25 national cases provided by the MS varied considerably, this information was first tested according to the orientation of national cases, namely:

- (1) *Working areas*: reduction of administrative burdens (RAB), simplification, better regulation (BR), regulatory impact analysis/assessment (RIA), e-government, integrated back-office functions, sharing resources, public administration reform (PAR), quality management area (QM), structure, research and development (R&D), innovation;
- (2) *Public policies*: whether a case deals with a policy review, ex post evaluation, or with a specific policy;
- (3) *Lisbon Strategy*: how is a case connected to the Lisbon Strategy for growth and jobs:
 - (a) *A more attractive place to invest and work* (1. Extend and deepen the Internal Market, 2. Improve European and national regulation, 3. Ensure open and competitive markets inside and outside Europe, 4. Expand and improve European infrastructure);
 - (b) *Knowledge and innovation for growth* (5. Increase and improve investment in Research and Development, 6. Facilitate innovation, the uptake of information and communication technology (ICT) and the sustainable use of resources, 7. Contribute to a strong European industrial base);
 - (c) *Creating more and better jobs* (8. Attract more people into employment and modernise social protection systems, 9. Improve the adaptability of workers and enterprises and the flexibility of labour markets, 10. Invest more in human capital through better education and skills);

- *Public Administration*: is a case oriented towards improving transparency and participation, administrative capacity, or institutional competitiveness.

After this test, thorough analysis of national cases was performed. Results of the research were presented from two main aspects: national cases that contributed added value to achieving the LS goals, and description of national co-ordination for LS, with parts of national action programmes that included measures in respect to their public administrations.

The second research entitled as “Evaluation of public administrations’ added value to the Lisbon strategy goals” was conducted by Spanish presidency to the Council of the EU in the first semester 2010. It was performed as a kind of follow-up study after the 2008 research therefore its methodology approach was similar. Minor supplements were made to the template for providing country information: MS were asked to suggest orientation of their case and a new item was added to the existing Public Administration (PA) orientation items list, namely: measuring citizen perception of quality of public administration.

The Lisbon Strategy evaluation document was prepared as a Commission staff working document; its final version (SEC (2010) 114 final) is dated as of 2nd February 2010. The document gives main findings in respect to LS implementation, and also describes in more detail developments, progress and shortcomings across different policy areas. Secondary analysis of the document was conducted with results presented within the next chapter.

Practical case illustration is providing information on Slovenia in respect to the Reform programme for achieving the LS goals 2005, and to preparation of Slovenia National reform programme in 2010-2011 to support Europe 2020 strategy at national level and information on competitiveness and role and activities of the government in this respect.

3. Presentation of results

3.1. Evaluation of public administrations’ added value to the Lisbon strategy goals, 2008 research

Results of the 2008 research “Evaluation of public administrations’ added value to the Lisbon strategy goals” are related to three main areas: national co-ordination, national reform programmes, national cases that substantially contributed to the LS goals (Žurga, 2008). The latter are presented in Table “Research 2008: Orientation of national cases” (see the appendix) and classified upon their orientation.

Although such different possible aspects of each national case were considered at the same time, information from the analysis enabled classification of the national cases provided. It was established that all the cases are related to four basic questions:

- Are we doing the right things?
- Are we doing things right?
- Can the goals of the future be achieved through the structure of today?
- How can we foster science, research, development, and innovation?

Regarding the first two questions, two national cases included elements of both (*Are we doing the right things in the right way?*). The second question could be additionally divided relative to the dominant focus (RAB & BR; eGov; PAR / QM / specific sector/policy). As a result, national cases were additionally classified as presented in Table 1.

Table 1: Research 2008: Additional classification of national cases

Questions	National cases
Are we doing the right things?	France
Are we doing the right things in the right way?	Greece, Spain
Are we doing things right?	<i>RAB & BR dominant focus:</i> Czech Republic, Estonia, Germany, Italy, Latvia, Lithuania, Luxembourg, Malta, The Netherlands, Portugal, Slovak Republic, Slovenia
	<i>e-GOV dominant focus:</i> Denmark, Hungary
	<i>PAR / QM / specific sector/policy dominant focus:</i> Bulgaria, Cyprus, Poland, Romania;
Can the goals of the future be achieved through the structure of today?	Finland
How can we foster science, research, development, and innovation?	Austria, Belgium, Ireland

Source: Author, based on Evaluation of public administrations' added value to the Lisbon Strategy, 2008: 9-11

As is evident, the national cases for achieving the LS strategy goals relative to the functioning of their public administrations show a variety of approaches and possible combinations. As a rule, the cases are not supported with clear results achieved for

several reasons: some projects were still being implemented at that time, difficulties in measuring outcomes and impacts, etc. However, it was established in the 2008 research that the cases represent a strong benchmarking and bench learning platform, especially when considered them in relation to the aims they are following and the respective national action programmes.

State of affairs in the areas co-ordination of LS goals, national action programmes and institutions involved was in accordance to the Commission's guidelines. Regarding national reform programmes/action plans, comprehensive information on goals and project was provided yet quite poor information on measuring their results.

3.2. Evaluation of public administrations' added value to the Lisbon strategy goals, 2010 research

In the continuation, results of the 2010 research "Evaluation of public administrations' added value to the Lisbon strategy goals" are presented (see also Table 3 in the appendix). It is important to emphasize that in the 2010 research only 18 of 27 EU MS participated (Hidalgo 2010) despite the expectations that all MS would cooperate. In respect to co-ordination of the LS goals at the national level, most National Action Programmes were adapted, or were in process to be adapted, to the second cycle of the renewed LS (2008-2010). They were being complemented with another public plans or initiatives to reduce the impact in the national economy of the global economic situation.

In the parts of National action programmes that were related to functioning of public administration system, the most significant attention was oriented towards (Hidalgo, 2010):

- Improving the efficiency and productivity of PA, towards the rationalization of public expenditure and the reduction of time spent in administrative procedures for a better service to citizens and enterprises;
- Incorporating the Regulatory Reform through Regulatory Impact Assessment and Better Regulation;
- Reducing the Administrative Burdens in procedures to enterprises and citizens to improve the work and business environment;
- Strengthening competitiveness, which has shown to be one of the roots of the economic crisis in Europe;
- Implementing institutional changes to restructuring public sector reducing/merging the number of administrative units or levels, aimed at finding synergies and creating a new and more efficient structure, by means of the removal of overlapping functions;

- Boosting and enabling the innovation as a main support for increasing the productivity in all the economic sectors;
- Enhancing transparency and accountability, opening the information to the citizens in order to explain public actions, and to submit public performance to the evaluation by interested actors.

In respect to monitoring and evaluation mechanisms established for the appraisal and revision of the projects, the majority of MS carry out regular reports of evaluation that are performed by the unit in charge of the co-ordination or by other designated unit. These reports assess the degree of implementation of the measures, and include concrete proposals for adjustments of the process and next steps, and some MS (Belgium, Cyprus, Czech Republic, Malta and Luxemburg) developed specific indicators regarding to the competitiveness and effectiveness of public sector. As a result of the crisis economic situation, the assessments are more focused on the appraisal of the public expenditure related to the implementation of national measures oriented to enhance the efficiency of the PA and, with this, a better distribution of resources. In some cases, shortage of resources has also affected the pre-scheduled process for the implementation of monitoring and evaluation mechanisms. In one MS (Spain) they performed an independent evaluation of the degree to which the National Reform Programme (NRP) implementation and its success is established in parallel with the monitoring mechanisms.

3.3. Lisbon strategy evaluation document

Results of the secondary analysis of the Commission's "Lisbon Strategy evaluation document" from February 2010 give us following main findings.

First, it is considered that the LS has had an overall positive impact on the EU even its main targets were not achieved. For example, employment rate target set for 70 % in 2010 (62 % in 2000) reached 66 % in 2008, and dropped back as a result of crisis to 64.6 % in 2009.

As far as the target to invest 3 % of BDP in R&D is concerned value of 1.92 % was reached in 2008 and 2.01 in 2009, starting from 1.82 % in 2000. However, some tangible benefits such as increased employment (18 million new jobs were created before crisis) or a more dynamic business environment with less bureaucracy due to the administrative burden reductions were achieved. It is argued in the LS evaluation document (2010: 3) that "while it is not always possible to demonstrate a causal link between Lisbon reforms and growth and jobs outcomes, there is evidence that reforms have played an important role". For more detailed information, see Table 4 in the Appendix.

Second, the renewal of the Lisbon Strategy in 2005 helped to clarify its scope and aims. Especially supportive was definition of the four priority areas, namely investing in knowledge and innovation, unlocking the business potential, investing in people and modernising labour markets, and climate change and energy. Operation towards clearly defined goals and targets brought more tangible and better results, although in some cases EU-level targets were too numerous and did not sufficiently reflect differences in starting positions between the MS what especially came to the effect after the enlargement in 2004.

Structural reforms have made the EU economy more resilient however, the LS was not prepared in a manner to adequately address some of the causes of the crises. This is especially valid in respect to having a robust supervision system, and sometimes it was a case that Stability and Growth Pact and the LS at the level of MS were not complementary but tended to operate more in parallel. The importance of interdependence in a closely integrated economy (particularly in the euro area) has not been sufficiently recognised. The global economy has become so interdependent what suggests that the Lisbon Strategy was perhaps “too inward-looking focusing more on preparing the EU for globalisation rather than trying to shape it” (European Commission, 2010).

3.4. Case study: Slovenia

Within the context of LS, Slovenia incorporated its goals in respect to functioning of its public administration, to the third development priority, an efficient and less costly state (Reform programme for achieving the Lisbon Strategy goals, 2005):

- Increase the institutional competitiveness and efficiency of the state;
- Restructure public finance to enhance its developmental role;
- Ensure the better operation of the judicial system.

It was stated that “the fundamental change we wish to achieve in this sphere is an increase in the efficiency of the state. This will be achieved by raising standards of professionalism and transparency in the public administration, improving the quality of its services, and strengthening its consulting function. We plan to introduce a regulatory impact assessment system to screen regulations for their restrictive administrative and regulatory impact on competition and economic activity and take steps to remove these obstacles. We will reduce the gap between the state’s investment needs and traditional available sources of funding by introducing public-private partnerships (PPP) to the provision, performing, and financing of public services and investment in infrastructure.”

The following priority measures were defined:

1. Improve co-ordination of the design and implementation of development function of the state (economy, social security, environment);
2. Introduce compulsory regulatory impact assessment and development of a methodology for the assessment of impact on the economy;
3. Adopt and implement the Removal of administrative obstacles programme;
4. Introduce a system of strategic planning and managerial tools in the public administration, introduce the Common Assessment Framework (CAF) and inclusion in the EFQM;
5. Establish standards of success and efficiency for the public administration; analyse business processes of the administration as a basis for the optimisation, standardisation, and computerisation of procedures;
6. Introduce public-private partnerships;
7. Establish central registers, e.g., a uniform central register in the sphere of social transfers, a property register, etc.;
8. Ensure greater efficiency of the judicial system.

In October 2008, Reform programme for achieving the Lisbon Strategy goals 2008 was adopted, containing three main parts:

- I. Action plan for implementation of the integrated recommendations;
- II. Implementation report of the Reform programme for achieving the Lisbon Strategy goals 2008;
- III. Reform programme for achieving the Lisbon Strategy in Slovenia 2008-10.

It was exposed at the government level in 2009 that the EU budget reform and the new financial perspective should support the implementation of the LS to a larger extent. The post-2010 Lisbon Strategy should also provide an appropriate framework for enhanced fiscal co-ordination among the Member States. An important truth to be derived from the current economic crisis is namely the need for better co-ordinated fiscal stabilisation at the Community level. Such a system would facilitate a more efficient prioritisation among and within policies, as well as enable a new approach to the development-oriented budget. It will also render possible a more concrete monitoring of structural measures and an increase in the quality of public finances (monitoring of efficiency).

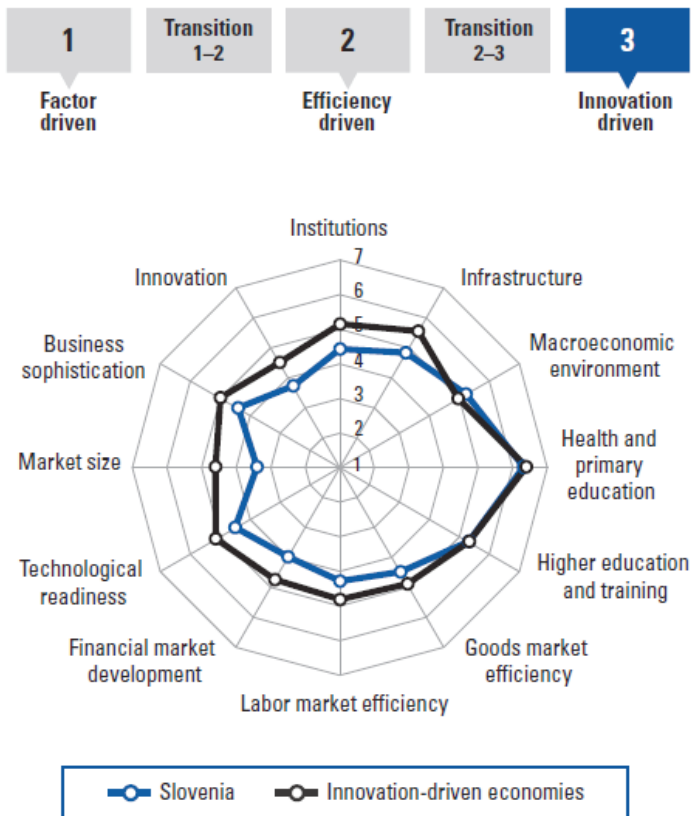
For this reason, the Government has prepared a *target-oriented programme budget* and a mid-term financial framework for years 2010 and 2011 on the basis of the fiscal rule. Before outlining the policies of the programme and objective-oriented

budget let us shortly present the latest classifications of Slovenia in terms of its economic competitiveness. They are:

- 45th place among 139 countries according to the World Economic Forum global competitiveness index 2010-2011; in 2009-2010, Slovenia held the 37th place among 133 countries;
- 52nd place among 58 countries according to the IMD competitiveness index for the year 2010, which is 20 places worse than in 2009, when Slovenia was placed 32nd among 57 countries.

As illustrated in Figure 1 Slovenia's development capability and innovative charge is indicated. Other interesting findings in respect to innovative charge of Slovenian economy were presented also by Bavec (2009). Namely, Bavec presents results of explorative study on creative climate and innovativeness at the country level in the

Figure 1: Global competitiveness index – evaluation of Slovenia's development

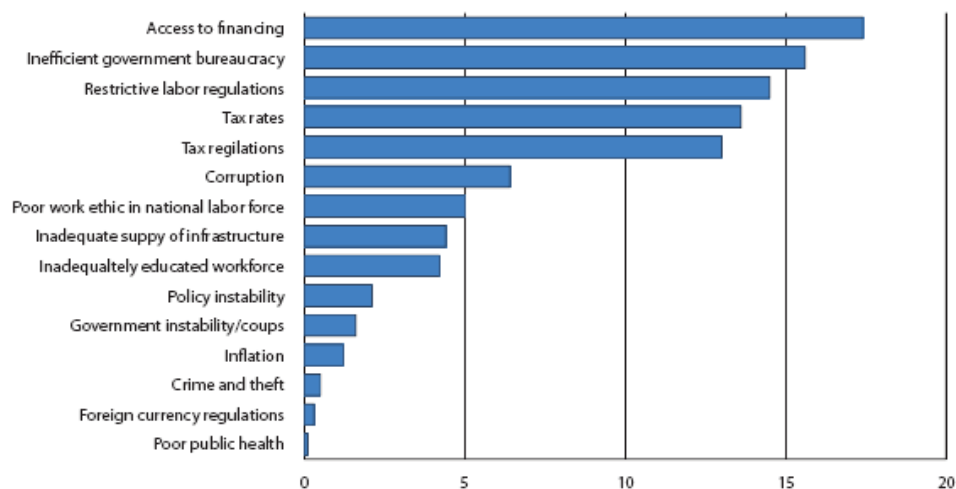


EU27 where Slovenia was clustered into group of innovation followers as the only new EU member state.

The state and its administration play an important role in providing the framework and terms for the functioning of the national economy and boosting it. The first among the Republic of Slovenia Government's policies within the programme and objective-oriented budget is *Entrepreneurship and Competitiveness* (2011–2012 Budget Manual, 2010). It includes many interventions, including grants for investments, removal of administrative obstacles and improved access to financial sources, where synergies between the national and regional levels also have to be sought. All policies within the objective-oriented budget are more or less indirectly connected to this policy. These policies are: higher education, science, technology and information society (02), labour market (03), education and sports (04), culture (05), traffic and traffic infrastructure (06), energy sector (07), agriculture, forestry, fishing and nutrition (08), environmental and spatial policy (09), social security (10), health care (11), national security, defence and external affairs (13), public administration systems management (14), legal state, freedom and security institutions (15).

The connection of various public policies with economic competitiveness is also seen in determining the obstacles for it. According to the last World Economic Forum competitiveness research (Schwab, 2010), the most problematic business operations factors in Slovenia were: access to financing, inefficiency of bureaucracy, restrictive labor legislation, tax rate and tax legislation. Individual obstacles are presented in the figure below.

Figure 2: Obstacles to business operations in Slovenia



Co-ordination of policies is recognised as a necessary and required condition for the realisation of development objectives and effective drawing of funds. As a state, Slovenia has determined numerous development objectives. These objectives are written in the fundamental document, Slovenia's Development strategy, from the year 2005 (Government of the Republic of Slovenia, 2005); and numerous other documents are based on this document, namely the Reform programme for the implementation of the Lisbon Strategy in Slovenia from October 2005, the Resolution on national developmental projects for the period 2007 to 2023 from the year 2006, etc.

The state's development objectives and determined development priorities are (were) incorporated in numerous documents that refer to Slovenia's membership in the EU, especially in relation to the realisation of the Lisbon Strategy objectives and Slovenia's contribution, as well as to the inclusion in the uniform financial perspective 2007-2013 as the basis for drawing funds in relation to cohesion policy.

In the year 2008, Slovenia and all other EU countries as well as EU as a whole started dealing with financial and economic crisis challenges. Already in 2008, Slovenia started adopting measures for dealing with the financial crisis, which focused on short-term effects, while in connection to joint agreements and EU guidelines; Slovenia has also dealt with middle- and long-term measures. The process of including Slovenia in OECD, as well as the inclusion itself in 2010, has contributed to the long-term aspects of the state's development.

The Exit Strategy, a document from February 2010 (Government of the Republic of Slovenia, 2010a), was designed as a "combination of economic policy and structural modifications, which, along with guaranteeing fiscal sustainability, improve the social situation of the weakest and strengthen the competitiveness of the economy and the creation of new workplaces. For more effective operation of markets and the public administration system, institutional adjustments have been foreseen as a part of the exit strategy. One of the key tasks of the strategy is to guarantee the uniformity of short-term anti-crisis measures with the objectives of long-term structural modifications."

The above-mentioned summary of Slovenia's development-related documents and initiatives is intended for presenting their complexity, especially to emphasise the need for their co-ordination. Co-ordination is required both on international and national levels.

The co-ordination of public policies on an international level mostly incorporates combining the integrative process of creating value through reaching joint decisions and agreements on cooperation, as well as on the competitive process of "requiring value" through the distribution of the results of joint decisions and joint activities. The co-ordination of policies at the EU level is mostly performed by the Government

Office for Development and European Affairs of the Republic of Slovenia². The only exceptions are joint external and security policies of the European Union, which are harmonised by the Ministry of Foreign Affairs.

As already presented, in 2009 Slovenia initiated the introduction of objective-oriented budget, whose fundamental intention is to consistently and effectively support numerous objectives regarding Slovenia's development and operations, Slovenia's institutions and policies, and to guarantee their co-ordination and integration in the state's budget. According to findings of the Ministry of Finance (2010) "by continuing the current inappropriately regulated situation and crisis, enhanced discrepancy could occur between the increasingly limited public financial means and developmental requirements, which would sooner or later affect economic growth and competitiveness, as well as social and environmental areas".

Complementary approaches to financing and implementation of policies are therefore crucial. Fundamentally, the state's policies are financed from the EU budget – domestic budget and EU funds, meaning mostly cohesion policy funds: the European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund (CF). However, in practice these funds do not suffice for the realisation of all objectives, therefore, prioritised distribution of projects and activities is required. This means that the objectives cannot be realised in the scope that was initially planned. The solution to this problem lies in complementary approaches to financing individual projects or activities, and in searching for possibilities and opportunities in different and new types of cooperation, which also brings other sources of financing. Financial resources of such cooperation are not necessarily related to their distribution to domestic accounts; the mere fact that individual activities are financed from other sources enables their realisation. Example of such complementarities is the Danube Strategy, where complementarities refer to content-related aspects or the aspects of policy co-ordination and integration. In this sense, the Danube Strategy can be seen as a method of policy co-ordination and integration on transnational, international and national levels.

Another example of policy co-ordination is preparation of Slovenian national reform programme, in the context of the Europe 2020 strategy. For the purpose of its illustration, the Europe 2020 strategy is presented first.

Europe 2020 is a European strategy for smart, sustainable and inclusive growth. *Smart growth* refers to the development of economy that is based on knowledge and innovations; *sustainable growth* includes promoting a more competitive and green economy that exploits resources in a more economical way; *inclusive growth* refers

² More information available at the website of the Government Office for Development and European Affairs of the Republic of Slovenia, <http://www.svrez.gov.si>.

to strengthening the economy with a high employment rate that improves social and territorial cohesion (European Commission, 2010).

Five objectives on the EU level have been determined. They show how the EU plans to develop by the end of 2020. The umbrella objectives, their indicators and available data for the EU27 and Slovenia are shown in the Table 5 in the Appendix.

The task of every member state is to incorporate all EU umbrella objectives in its development plans and adopt appropriate measures. The European Commission has already determined seven priority areas, called flagship initiatives: Innovative Europe (1), Youth and mobility (2), Digital agenda (3), Europe, economical with resources (4), Industry policy for the globalisation era (5), New knowledge and skills, new workplaces (6), and European platform for the fight against poverty (7).

The Europe 2020 Strategy presents a starting point for national governments to further determine their objectives, programmes and approaches to how they will realise the common objectives on a national level, and contribute to European objectives in the sense of achieving synergistic effects. Draft of Slovenian national reform programme was developed in November 2010 (Government of the Republic of Slovenia, 2010b) to support preparation of Slovenian part of the Europe 2020 implementation plan, and passed into public consultation process till mid of January 2011. Its aim “is sustainable economic growth that is achieved by implementing economic policy measures, structural measures and institutional adjustments. The guiding principle in the shaping of economic policy measures is *consolidation of the public finances*, which is to be achieved by shrinking expenditure rather than increasing the tax burden. This is conditional upon defining the scope of public spending by means of the fiscal rule and the structure of public spending on the basis of *national development priorities*. Priorities focus on the creation of new jobs and development of knowledge, promotion and setting up of innovative businesses, improved employability, activity and qualifications of individuals, as well as more development-oriented transport and energy infrastructure. A gradual transition to an environmentally efficient, low-carbon society is integrated into all priority measures. Higher social cohesion will require improved efficiency of the social-security system and entitlements to public funds. *Institutional adjustments* will include changes aimed at improving the functioning of markets and public asset management. Among the *structural changes*, major adjustments are planned in the pension system, long-term care, the health service and the health-insurance system” (Government of the Republic of Slovenia, 2010b: 3).

For the purpose of this paper, development policy 01 – Promotion of entrepreneurship and competitiveness is presented in Table 6 (see the Appendix). It refers to all the three features of the Europe 2020 strategy: smart growth, sustainable growth and inclusive growth.

4. Discussion

The research presented was explorative and included four basic components: two studies in respect to evaluation of public administrations' added value to the Lisbon strategy goals, performed in 2008 and in 2010; in both of them author was personally involved. The third component was analysis of the European Commission's Evaluation of Lisbon Strategy document, and the fourth was exploring the case of Slovenia in the contexts of the Lisbon Strategy and the new Europe 2020 strategy for smart, sustainable and inclusive growth. By the means of combining and cross-referencing the four components mentioned we tried to tackle the research area from different perspectives, aiming in pointing out aspects of complementarities and interrelations, and in discovering new perspective points for further discussion and investigation.

Structure of the hypothesis set leads us to discuss the results of the research conducted according to three main items: need for incorporation of the public administration modernisation and development into developmental goals of the state (1), monitoring and adjusting the implementation (2) and identification of inter-connections and complementarities for better use of resources (3).

In respect to the first hypothesis item, analysis of the two studies on evaluation of public administrations' added value to the Lisbon strategy goals, performed in 2008 and in 2010, showed that all EU MS followed the common approach in implementation of the Lisbon Strategy yet considered different projects to contribute the most added values of their administrations to the competitiveness of national economies. To a certain extent this can be explained by different stages of development, historical and cultural background, and also with different intensity of modernizing efforts. The more the goals are unified the more similar actions and project can follow. This can be proved by taking into consideration also the results of other components of the research. Namely, secondary analysis of the LS evaluation document showed that the renewal of the Lisbon Strategy in 2005 helped to clarify its scope and aims. For example, especially supportive for MS was definition of the four priority areas (investing in knowledge and innovation, unlocking the business potential, investing in people and modernising labour markets, and climate change and energy as operation towards clearly defined goals and targets brought more tangible and better results. However, when faced with the crisis economic situation many of the MS focused more on the public expenditure related to the implementation of national measures oriented to enhance the efficiency of the PA and, with this, a better distribution of resources. This leads us to verification of the first part of hypothesis that there is a strong need for incorporation of the public administration modernisation and development into developmental goals of the state.

If we connect the first hypothesis item to the next one namely, the need for monitoring and adjusting the implementation we can support this with quite some

evidence from the research conducted. The European Commission launched several documents, guidelines and different support activities to serve the Lisbon agenda. However, not in all the cases these documents, guidelines and support activities of the Commission were assisting the MS in focusing towards implementation of the LS, in some cases LS goals and indicators were even too numerous and therefore less focused. However, in 2005 a set of new and more powerful instruments was launched by the Commission together with the renewed Lisbon Strategy which proved to be supportive. It included: integrated guidelines, as an instrument of co-ordination; National reform programmes that in some MS served as powerful instruments of policy co-ordination while in others was not used accordingly to its purpose; country-specific recommendations which supported policy advise within the MS, and the open method of co-ordination as an intergovernmental method of soft-co-ordination involving MS into evaluating. Results of both – 2008 and 2010 - researches among the MS on added value of their public administrations clearly showed *the absence of measuring the performance and of performance indicators*. The situation in this respect was improved in the second research in 2010, yet influenced by the crisis situation which turned focus of public administrations from being developmental and long-term into short-term and oriented towards operating with substantially reduced resources. The second part of the hypothesis, namely the need for monitoring and adjusting the implementation is proved, and the need itself is additionally exposed and stressed by the absence of measuring of the performance and of adequate performance indicators.

As it can be concluded on the bases of several sources, the overall pace of implementing reforms within the Lisbon Strategy was slow and uneven, policy integration across the macro-economic, employment and micro-economic dimensions should be stronger ensuring that important benefits from synergies would not be lost. On the other hand intensification of policy learning and exchange of good practice among MS can be observed, especially after 2005 when the above mentioned set of supportive instruments was launched. Case of Slovenia, together with analysis of the LS evaluation document showed that there was a need for a more direct link between development documents, policies and programmes and the budget, both at EU and national levels. It was reported at the national level, that implementation of different strategic documents also required a better and more transparent management based on the evaluation and an upgraded achievement of objectives, as well as introduction of programme indicators to measure the efficiency of investment. Deficient co-ordination of various EU policies and inadequate co-ordination of national policies of the MS was also reported. In a broader context, the reasons for failure in achieving the LS goals may derive from the insufficiently defined national measures and the related public expenditure. In the times of economic and financial crisis, these problems are becoming even more relevant. It is necessary to respond to them by integrating policies at the national level and by establishing the financial and

contextual frameworks in a co-ordinated way. Presently – due to the economic situation, the contextual aspect is often subordinated to the financial one.

Above mentioned highlights and proves the third hypothesis item – need for identification of interconnections and complementarities for better use of resources. If we connect this to challenges of the world economic crisis, and the “safeguarding the integrity of an existing framework of economic governance by adequacy of capacities for co-ordination and ensuring the integrity of institutions of corporate and collective accountability” suggested by Metcalfe (2010: 18) we could substantially contribute to improving long-term performance and – as a consequence – the competitiveness of national economy.

5. Conclusions

Several research questions as well as the hypothesis were considered, each of them from different aspects. The hypothesis with its three main components namely: (1) need for incorporation of the public administration modernisation and development into developmental goals of the state, (2) monitoring and adjusting the implementation, and (3) identification of inter-connections and complementarities for better use of resources were explored and verified in the context of Lisbon Strategy and adding value to the national competitiveness. The hypothesis with all its three components was proved and, although the hypothesis should not be too complex it became evident within the research that all the three components were very demanding in respect of their practical application. Simultaneous co-ordination of different levels of cooperation and interconnections proved to be extremely challenging – both, at the level of the EU and on the level of Member States. Moreover, additional relevance of the aspects explored was given due to the current economic circumstances that seriously affect practically all the countries. Therefore, the main *contribution* of this paper to economic science or at least to improved understanding of the area is the explorative description of how governments may, through their public administrations and by implementing and integrating their various roles and activities add value to competitiveness of their national economies. Other important contribution derives from analysis and exposure of the areas that are to be strengthened in order to add value to competitiveness – whether of national economies or of the European Union. Results of the research conducted participate also to improving mutual understanding of the research questions.

Some *limitations* during the research work are to be exposed. First, it was not the ambition of this paper to provide analysis of all the aspects possible or to establish strong causalities between performance and actions of governments and their administrations in contributing added value to competitiveness of their national economies. Although four different sources of the research input data were

considered the research was limited to that scope, and also stayed in the framework of the European Union. Another issue was substantially lowered response rate (67 %) in the 2010 study on PAs' added value to the LS goals what could be justified by the crisis situation and turning the focus of MS rather to internal and short-term issues.

However, the research we conducted clearly showed that in supporting their economies governments need to be aware and take into consideration multidimensionality of their activities, be at national or international level. Additionally, divergent approaches to overcoming the gap between increasing complexity and the competence and ability of governments to control this complexity are needed. Divergent approaches in the area of co-ordinating public policies include combining the integrative process of creating value through making joint decisions and agreements on cooperation, with the competitive process of demanding the value via distribution of the results of joint activities. It has to be emphasized again – these conclusions are valid at the level of the European Union as well as at the level of Member States if we only refer to the framework of this research.

On the bases of the research conducted and in connection to some other researches and developments, interesting and encouraging possibilities for *further investigation* in the sense of combining different aspects can be recognized. One possibility that was indicated earlier in the paper and is connected to some previous research is to more deeply investigate innovativeness at the state level, with special emphasize on innovation drivers on the side of governments and their administrations. Some possibilities for further research can be seen in respect to exploring the multidimensionality of co-ordination within a complex structure as for example the European Union is and taking into consideration all levels of co-operation and interactions. Other possibilities are related, for example to investigating monitoring and control systems that could support future prevention of serious disturbances, i.e. in implementation of the EU strategic initiatives. To mention only few, as it was not our intention to provide a comprehensive list of possible future researches but to indicate some possibilities and share first ideas in this respect.

Several *institutional implications* can be derived from the research conducted and verification of the hypothesis. They are related to different levels and also different actors in the area of this research. As far as the future development of the joint EU strategic goals and instruments is concerned, this could be more elaborated, more emphasis could be on connecting and interlinking and co-ordinating various EU and MS policies. We have to emphasize again that the future strategies should be “less inward-looking” and more oriented towards shaping the future. One of the institutional implications is also facilitating a more efficient prioritisation among and within policies, as well as enabling a new approach to the development-oriented budget what could result in increasing the quality of public finances. Another institutional implication is related to the further work of the European Public Administrations

Network and possible connections of its activities within all three working groups to the Europe 2020 goals and initiatives. At the MS level, institutional implications are related to strengthening public management mechanisms to ensure successful co-ordination among the roles that states have in respect to their economies. As strengthening of these mechanisms is in line with intentions and developmental efforts of the states to establish ultra-stability of their respective economies / systems, important implications are seen in finding the right balance between structural reforms and managing the already existing processes and structures.

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Dodana vrijednost javne administracije ka konkurentnosti nacionalne ekonomije

Gordana Žurga¹

Sažetak

Rad prikazuje istraživačku studiju dodane vrijednosti javne uprave prema konkurentnosti nacionalnog gospodarstva u kontekstu Lisabonske strategije. Glavni cilj istraživanja bio je istražiti ulogu vlada i njihovih uprava u održavanju konkurentnosti nacionalnog gospodarstva i raspraviti o tome iz različitih perspektiva. Metodologija istraživanja sastojala se od komparativne analize dvaju uzastopnih studija o dodanoj vrijednosti javne uprave s ciljevima Lisabonske strategije, primijenjene 2008. i 2010. godine, s evaluacijom Lisabonske strategije, koju je provela Europska komisija, i s praktičnom ilustracijom na primjeru Slovenije u kontekstu Lisabonske strategije i Europe 2020. Istražene su i verificirane tri glavne komponente hipoteze: (1) potreba za uključivanjem modernizacije javne uprave i razvoja u razvojne ciljeve države; (2) praćenje i prilagođavanje implementacije i (3) identifikacija međuovisnosti i komplementarnosti za bolje korištenje resursa potvrđene u kontekstima Lisabonske strategije i dodane vrijednosti nacionalnoj konkurentnosti. U okviru istraživanja, hipoteza je dokazana, kao i relevantnost svih triju komponenti, posebice u uvjetima globalne gospodarske krize. Glavni doprinos ovog rada je istraživački prikaz kako vlade mogu, kroz svoje javne uprave i implementacijom i integracijom svojih različitih uloga i aktivnosti, doprinijeti konkurentnosti svojih nacionalnih gospodarstava. U radu su prikazane institucionalne implikacije dobivenih rezultata, kao i moguća područja za daljnja istraživanja.

Glavne riječi: konkurentnost, javna uprava, Lisabonska strategija, Europa 2020., zemlje članice EU-a

JEL klasifikacija: H11, H83

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Appendices

Table 2: Research 2008: Orientation of national cases

	RAB	Simplification	BR	RIA	e-Gov	Integrated back office functions	Sharing resources	PAR	QM	Structure	R&D	Innovation	Review	Ex post evaluation	Specific policy	A more attractive place to invest and work	Knowledge & innovation for growth	Creating more and better works	Transparency & participation	Administrative capacity	Institutional competitiveness	
MS	Working orientation												Public policies	LS for growth and jobs	PA orientation							
Austria																						
Belgium																						
Bulgaria																						
Cyprus																						
Czech Republic																						
Denmark																						
Estonia																						
Finland																						
France																						
Germany																						
Greece																						
Hungary																						
Ireland																						
Italy																						
Latvia																						
Lithuania																						
Luxembourg																						
Malta																						
The Netherlands																						
Poland																						
Portugal																						
Romania																						
Slovak Republic																						
Slovenia																						
Spain																						

Source: Evaluation of public administrations' added value to the Lisbon Strategy, 2008: 10

Table 3: Research 2010: Orientation of national cases

MS	Working areas orientation											Public policies	LS for growth and jobs	Orientation to public administration									
	RAB	Simplification	BR	RIA	e-Gov	Integrated back office functions	Sharing resources	PAR	QM	Structure	R&D	Innovation	Policy review	Ex post evaluation	Specific policy	A more attractive place to invest and work	Knowledge & innovation for growth	Creating more and better works	Measuring citizen perception of quality of PA	Improving transparency & participation	Improving administrative capacity	Improving institutional competitiveness	
Austria																							
Belgium																							
Cyprus																							
Czech Republic																							
Denmark																							
Finland																							
Greece																							
Italy																							
Lithuania																							
Luxembourg																							
Malta																							
Poland																							
Romania																							
Slovak Republic																							
Slovenia																							
Spain																							
Sweden																							

Source: Evaluation of public administrations' added value to the Lisbon Strategy, 2010: 16

Table 4: Lisbon Strategy – Short list of structural indicators

Target areas	Structural indicators	2007	2008	2009	EU/SI
General economic background	GDP per capita in PPS	100	100	100	EU27
		88	91	88	SI
	Labour productivity per person employed	100	100	100	EU27
		83.9	84.6	82.4	SI
Innovation and research	Youth education attainment level by gender	78.1	78.4	78.6	EU27
		91.5	90.2	89.4	SI
	Gross domestic expenditure on R&D (GERD)	1.85	1.92	2.01	EU27
		1.45	1.65	1.86	SI
Economic reform	Comparative price levels	100	100	100	EU27
		78.9	82.3	84.3	SI
	Business investment	18.7	18.4	16.2	EU27
		23.5	24.4	19.4	SI
Employment	Employment rate by gender	65.4	65.9	64.6	EU27
		67.8	68.6	67.5	SI
	Employment rate of older workers by gender	44.6	45.6	46.0	EU27
		33.5	32.8	35.6	SI
Social cohesion	At-risk-of-poverty rate after social transfers by gender	16.7	16.5	16.3	EU27
		11.5	12.3	11.3	SI
	Long-term unemployment rate by gender	3.1	2.6	3.0	EU27
		2.2	1.9	1.8	SI
	Dispersion of regional employment rates by gender ⁴	11.1	11.3	11.8	EU27
	–	–	–	SI	
Environment	Greenhouse gas emissions, Kyoto base year	NA	NA		EU27
		101.1	104.6		SI
	Energy intensity of the economy	169.09	167.11		EU27
		252.36	257.54		SI
	Volume of freight transport relative to GDP	106.5	104		EU27
138.4		152.5		SI	

Source: Eurostat

⁴ The indicator is not applicable for DK, IE, LU, CY, EE, LT, LV, MT, SI or IS as these countries comprise only one or (in the case of IE) two NUTS level 2 regions. However, the employment rates of these countries are used to compute the dispersion of regional employment rates for groups of countries.

Table 5: Europe 2020: Objectives and indicators

Headline targets	Indicators	2007	2008	2009	EU/SI
75 percent employment rate for population 20-64 yrs of age	Employment rate by gender, age group 20-64 yrs	70	70.5	69.1	EU27
		72.4	73.0	71.9	SI
Investing 3% GDP in research and development.	Gross domestic expenditure for research and development (GERD)	1.85	1.92	2.01	EU27
		1.45	1.65	1.86	SI
Climate and energy objectives 20/20/20 have to be achieved, including the reduction of exhausts by 30% if conditions are right	Greenhouse gas emissions (base year 1990)	90.5	88.7	/	EU27
		111.3	115.2	/	SI
	Share of renewable energy sources in gross domestic energy use ⁵	9.7	10.3	/	EU27
		15.6	15.1	/	SI
	Energy intensity of economy ⁶	169.09	167.11	/	EU27
		252.36	257.54	/	SI
Dropout rate in primary and secondary schools has to decrease to under 10%, and at least 40% of the younger population (30 – 34 yrs) should have tertiary degree	Dropout rate in education at primary and secondary schools	15.1	14.9	14.4	EU27
		4.1	5.1	5.3	SI
	Acquired tertiary education by gender, age group 30-34 yrs ⁷	30	31.1	32.3	EU27
		31	30.9	31.6	SI
Reduction of poverty and social exclusion; poverty should be a threat to at least 20 million fewer people in the EU than today	Poverty or exclusion risk rate ⁸	24.5	23.6	23.1	EU27
		17.1	18.5	17.1	SI
	People in households with very low work intensity	9.7	9	9	EU27
		7.2	6.7	5.6	SI
	Poverty risk rate after social transfers	16.7	16.5	16.3	EU27
		11.5	12.3	11.3	SI
	Material deprivation	9.1	8.5	8.1	EU27
		5.1	6.7	6.1	SI

Sources: Europe 2020: A European strategy for smart, sustainable and inclusive growth, and Eurostat

⁵ Alternate indicator for the Share of renewable sources in final energy consumption, in preparation.

⁶ Alternate indicator for Energy savings, which is in preparation.

⁷ Indicator in preparation.

⁸ Union of the three subindicators below.

Table 6: Development policy 01 – Promotion of entrepreneurship and competitiveness

<i>SMART GROWTH</i>	
National priority: <i>Entrepreneurship and knowledge for development</i>	
General objectives of the policy: Improved affordable access to finance to support development and growth of enterprises in all development phases Intensified internationalisation of Slovenian enterprises and more direct foreign investment in Slovenia Expansion of tourism sector Increased competitiveness of Slovenian tourism Competitive business environment and intensified growth and development of enterprises Increased economic, environmental and social capital and its efficiency	EU2020 indicators and targets: GDP per capita, in purchasing-power standards (PPS) (EU-27=100) Labour productivity (GDP in PPS) per active working person (EU-27=100) Share of medium-tech and high-tech products in total exports Increased competitiveness of Slovenian tourism according to WEF ranking Accessible sources of risk capital Foreign-trade-to-GDP ratio Better-developed business environment – framework conditions for entrepreneurship Value added per SME employee Export Volume Index Market capitalisation of shares according to GDP
<i>SUSTAINABLE GROWTH</i>	
National priority: <i>Development-oriented transport and energy infrastructure</i>	
General objectives of the policy: Lowering the environmental impact of supported companies	EU2020 indicators and targets: Number of projects that prevent environmental degradation (Development and acquisition of machinery and production equipment that has been shown to contribute to lower consumption of energy, lower pollution, and use environmentally friendly raw materials)
<i>INCLUSIVE GROWTH</i>	
National priority: <i>Flexicurity and social cohesion</i>	
General objectives of the policy: Increasing entrepreneurial spirit	EU2020 indicators and targets: Increase status of entrepreneurship (Flash Eurobarometer: The choice of status: self-employed or employee)

Source: Slovenian national reform programme, 2010

