

# *The Public Administration Reform Agenda in Slovenia – Two Decades of Challenges and Results*

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In Slovenia, public administration reform has been seen mainly as a systematic set of approaches applied since the country's independence in 1991, and in particular since 1996, when the aim was the country's full EU membership. The reforms were designed predominantly under the influence of the New Public Management, aiming mainly at the rationalization of structures and resources, user-orientation, development of e-government, and quality management. However, they were carried out rather legalistically although formally run under several overall reform strategies from 1997 to 2010, stimulated by two-fold driving forces: the inner forces and the EU or OECD incentives. The goals and activities have been partly complementary and partly in contradiction with each other due to lack of evaluation and consensus in terms of implementation, but subject to continuous modernization and Europeani-

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zation. As for the future, public administration is not to be regarded merely as a technical tool to execute government policies, and neo-liberalistic attempts to downsize and delegate are particularly insufficient in a societal context. Thus, public administration should be developed as a factor of democracy and a pillar of good governance in society.

*Key words:* reform, modernization, public administration, Slovenia, EU, strategy, governance

## 1. International and Strategic Frameworks of Slovene Public Administration Reforms

The paper presents the phenomenon of public administration reform as designed and implemented in the Republic of Slovenia between 1991 and 2011, with detailed insights into the policies run in the field and critical assessment thereof. Public administration in Slovenia is understood and defined by laws as part of the broader public sector, holding authoritative and other public functions and consisting of state administration, municipalities and other holders of public authority when they are delegated such functions.

The reform of public administration – perceived as a social subsystem that needs to constantly adjust to the environment in which (and because of which) it operates – has been implemented worldwide as a project or process of modernization since the late 1980s (Bouckaert and Pollitt, 2004; Peters and Pierre; 2005, Goldfinch et al., 2009). Each stage of the reform has been characterized by a specific trend. Overall liberalization and rationalization can be seen as the most recently stimulated trend that has been observed in all member states of the Organization for Economic Co-operation and Development (OECD). This wave reached Slovenia and the rest of the post-socialist countries in the 1990s along with their respective independence processes (Pirnat, 1993; Dunn et al., 2006). Individual countries report various reasons for a thorough restructuring of the government sector, among which is the omnipresent need to reduce the share of public spending relative to GDP, and to amplify the voice of the users of public services and civil servants. Other important reasons are globalization of operations, privatization and deregulation of the

economy, public enterprises and the public sector, IT development, and European and international integration. In many countries, the basis for modern administrative reforms, at least in the 1990s, was the paradigm of the New Public Management (Hood, 1995) although it can be established that reforms in individual countries were quite different, depending on each country's constitutional order, history, priorities of the ruling political option, etc. (Bouckaert and Pollitt, 2004; Eymeri-Douzans and Pierre, 2011). This applies at least to effects if not to purpose, as for example in the case of privatization in the Anglo-Saxon world, decentralization in the German world, and participation in the Scandinavian world (Schuppert, 2000). However, in time, understanding of the New Public Management as the ultimate stage of development in the sense of a »Neo-Weberian« administration was overcome both in Slovenia and throughout the world (Brezovšek, 2009; Bouckaert, 2011). Nevertheless, during the first decade of the reform process (1996–2005), the New Public Management – which also served as a basis for EU directives (cf. Sigma, 1999) – was a key element of modernization in the development of public administration in Slovenia as well as in other (above all post-socialist) countries.

In Slovenia, public administration reform was a more or less systematic set of strategies and activities implemented since the country's independence, gained in 1991. In this respect, comparatively speaking (cf. Dunn et al., 2006; Koprić, 2009), Slovenia avoided overproduction or vagueness of different strategies over priorities. After 1996, the need for transforming public administration was closely related to Slovenia's aspirations to become a full member of the European Union. In the years after 2000, the reform was intended to be a constant modernization based on several pillars such as rationalization of structures, aiming to decrease the share of public expenditure in GDP (which was around 45 per cent), reorganization of specific administrative entities (bodies), and an introduction of a new common and unified wage system in the public sector. In order to increase the level of satisfaction of the users of public services, the key players in the reform process simultaneously launched programs such as development of e-government and quality management schemes within administrative units. Even after gaining full membership of the EU (2004), the Slovene public administration reforms were carried out with the primary goals of reduced public expenditure and user-orientation following the New Public Management model, but were presented rather legalistically. Slovenia followed the example of other Central and Eastern Europe countries since, in general, the impact of the New Public Management was more evident in post-socialist countries than in West-

ern Europe (Sigma, 1999; Eymeri-Douzans and Pierre, 2011). One could even presume that such a process was a »copy of the Western patterns«, a shortcut to achieve the (idealistically seen) level of economic and democratic progress opposed to the historical experience of these countries in the previous 50 years. Nevertheless, if public administration had not responded to the new needs of the state at that time, Slovenia probably would not have been able to cope with the new challenges, such as introducing the euro in 2007 or holding the EU presidency in 2008. Thus, the mid-term strategy of further development of the public sector adopted in July 2003 and particularly Slovenia's Development Strategy 2005–2013 and the 2010 Exit Strategy (from economic crisis) underlined the importance of a coordinated approach to modernization. However, different documents and measures were rarely unclear when distinguishing what is an end and what a means to an end (for instance, one can claim that even for major results related to the full EU membership in 2004 and afterwards).

Since 1996 and even before that, the reforms in Slovene public administration were stimulated mainly by the following two parallel approaches:

- a) inner driving forces of change (such as top-down pressure to reduce public expenditure and volume of the civil service, and bottom-up use of Total Management Quality (TQM) tools; and
- b) external, especially EU and OECD incentives (e.g. the establishment of institutions such as public agencies, European Administrative Space standards, daily involvement in EU operations or, lately, better regulation schemes).

Such trends stemmed from deep social changes that occurred in Slovenia, mainly from the gain of independence in 1991 that led to a political and economic transition into a post-socialist system, full membership of the EU in 2004, impacts of the New Public Management doctrine and, recently, the world economic crisis. The parliament and government have acted as main decision makers at public administration reform design. Responsible implementation units – as coordinators of work within line ministries or direct executors – have been mainly governmental offices, such as the Office for EU affairs or the Office for Informatics, with specific role of the Ministry of Public Administration from 2004 onwards (MPA took over the competence for public administration from the Ministry of the Interior responsible for it before 2004. The Special Office for Public Administration Development and some governmental offices were joined up together).

Both inner and external forces were incorporated in several strategic documents, first in the Strategy for EU Accession (1997–1999), followed by the Strategy on Further Development of the Public Sector (2003–2005), Slovenia's Development Strategy (2005–2013) and the Exit Strategy (2010–2013). The first of the above strategies pursued two main objectives: to improve the efficiency of the Slovene public administration and to adapt its structure and functions to the needs of EU integration. Restructuring comprised six basic categories of project, regulatory, organizational, IT and educational activities in over 30 projects. The second EU-related strategic document (after the 1997–1999 Strategy) was adopted in 2003. The Strategy on Further Development of the Slovene Public Sector 2003–2005 was designed to integrate and coordinate all existing and planned projects since 2000. The efforts toward a more efficient and user-friendly public administration intensified over the years, also owing to the establishment of the Ministry of Public Administration (MPA) in late 2004 which (by having a minister on the field as a direct government member) increased the political weight and integrity of the reforms in administration, from the establishment of a single wage system in the public sector to e-government and rationalization of public procurement. Since its establishment, the Ministry of Public Administration has been the main implementation force for public administration and even broader reforms. The same objective as in the Strategy 2003–2005, yet with greater macroeconomic focus on the development of the public sector, is pursued in Slovenia's Development Strategy adopted by the government for the period 2005–2013. However, unlike the first Strategy that was largely implemented thanks to an operational action plan and activities run based on organic laws adopted in 2002, the second Strategy – despite an integral and EU connotation – was not much more than pretty words on paper owing to major political changes, namely a shift from the central left to the central right government at the end of 2004 and to the economic crisis of 2008. The last stage of public administration reform is led by the motto from the Government's »Exit« Strategy (2010–2013), standing for exit from the economic crisis, reduction and rationalization of public administration (e.g. a 25 per cent reduction of administrative barriers for the business sector), integration of ministries, an annual reduction of employment in the public sector by 1 per cent and freezing of budgetary funds at the previous years' levels, as well as for promotion and rewarding of work performance. The Strategy envisages reduction in all areas based on a linear approach, without differentiation as to the significance and extent of operations of individual segments of public administration, in a neoliberal fashion.

Public administration reforms in Slovenia may well be considered successful in an operational or technical sense (e.g. e-government, use of TQM tools, elimination of administrative barriers), and less so in the most conflicting segments of society such as the development of local government and decentralization of the service functions of the state. The latest approaches focus particularly on an administration that is seen as a necessary budgetary cost item holding back economic competitiveness instead of being seen as an impetus and an investment into social security, development of transparency, and participative partnerships as parts of good governance and development of a democratic society (Bevir, 2011). The efficiency of public administration is in fact an indicator of good governance, which, according to the OECD, forms sustainable development together with economic development and social cohesion.

Slovenia has therefore made major progress compared to the previous Yugoslav heritage when public administration had been seen rather as a purely instrumental structure for executing politically set priorities of national policies within socialist system (cf. Pirnat, 1993; Dujić, 1997; Koprić, 2009). Modern public administration and the civil service in Slovenia are nowadays rather capable of creatively supporting politics when coping with societal problems and implementing the goals of the state and Slovenes. The reforms of public administration were thus one of the politically most important projects in the country – at least on a declarative level. As for the future, if Slovenia is to pursue continuous system development, overall strategic orientation should be designed based on the vision of its role within its national society and international environment.

## 2. Reforms in Slovenia from 1991 to 2011 – Specific Development Highlights

Public administration reforms in Slovenia were carried out in several stages following the development of the system environment, i.e. the state and the society. The countries of Central and Eastern Europe (including Slovenia) underwent rather similar stages of development (Lane, 1995):

– transformation – tearing down the foundations of the old system and designing a new structure characterized by multipartism, regular elections, local government, change of government, etc.;

– consolidation – stabilization of the new political system, opening of possibilities for privatization, denationalization, and introduction of market elements;

- modernization – following the processes of public sector reform in developed countries, highlighting the changed role of public institutions, their reorganization and gradual deregulation;
- adaptation – introduction of measures to assess the efficiency and effectiveness of the public sector, mainly as a result of pressures from the EU requiring a series of changes in legislation, administration and regulation.

A similar development path, with country-specific characteristics, of course, was also taken by public administration in Slovenia. There are several classifications of the various stages of modernization of the Slovene public administration. Trpin (2003), for example, distinguishes between revolution (1990–1994), transition (1995–1997) and EU accession (after 1997). A slightly more detailed classification presents the following steps of development (Kovač and Virant, 2011):

- the country's independence, establishment of administrative structures and reform of local government (1991–1996);
- reforms of public administration related to EU integration (1996–1999 and 2000–2004), in particular the legislative reform and other measures toward the New Public Management;
- further continuous modernization through specific policies (2003–2008);
- adjustments to cope with the economic crisis (2008–2011).

In other words, just like in comparable countries (e.g. Croatia, Koprić, 2009), two main processes can be identified throughout the reform, namely modernization (in terms of political interests and in substantive and technical terms, e.g. informatization) and Europeanization (both during accession to the EU and as members thereof). These processes partly overlap when the internal needs of the Slovene public administration and external incentives (mainly from the EU) match, such as in the case of efforts related to the rationalization of public spending or elimination of administrative barriers. The same applies to the key players in both processes, either the civil servants or the national government as internal players, or the European Commission or Member States as external pressures and incentives. Therefore, one can claim that a certain degree of modernization of the Slovene public administration could be achieved even without Europeanization, yet it would occur later and less integrally since the reform of public administration in Slovenia was a government's priority in relation to Slovenia's accession to the EU. However, individual

modern approaches had been observed before, at the time when the Slovene public administration was yet to be set up appropriately, although Slovenia – being a relatively autonomous republic – had already had an efficient public administration in Yugoslavia, a (more or less) systematic modernization appeared only in the mid 1990s. Despite several rather radical modifications related to the powers and organization of public administration, the transition to the new system was nevertheless relatively smooth for the users of public services.

After Slovenia had gained independence, administrative structures pertaining to an independent country had to be established (e.g. in defence or customs) or strengthened. In late 1994, a radical reform of local government was carried out, whereby in accordance with the Constitution, the functions of local communities (initially 147 municipalities; their current number is 211) were separated from those of state administration. The constitutional concept of local government in fact called for a clear distinction between the central and local functions. Municipalities took over the regulation of local matters (public utilities, spatial planning, primary health care and education, etc.), while the state administration took over – by means of general administrative districts (58 administrative units) and other territorial branches (e.g. of the Tax Administration) – the implementation of state regulations. With regard to local government, the system of communes was abolished and the following acts amended since 1993: Local Government Act, the Act on the Establishment of Municipalities and Definition of Their Territories, Local Elections Act, and the Act on Financing of Municipalities. This structural reform was a radical step compared to the previous Yugoslav system of the so called unified municipalities (63 in Slovenia), which had carried out mainly (up to 85 per cent) state administrative tasks on the account of almost totally neglected local self-government. For quite some time now there have been more or less intense attempts to establish regions as the second level of local government, aimed at joining up municipalities and executing some (not prevailing) public tasks delegated by the state. However, the necessary political support to such a structural reform has not (yet) been achieved in parliament in the past two decades owing to a number of reasons (the biggest issue seems to be the number of regions), particularly of interest nature, claiming certain resources from different centres of power.

In the next reform stage, the emphasis was on the preparation and adoption of new laws aimed at Slovenia's accession to the EU. Most of those »horizontal« laws – e.g. Civil Servants Act, State Administration Act or Public Agencies Act – were adopted in 2002 but began to apply in the

following years. This regulatory framework built on Yugoslav tradition but again introduced radical breakthroughs, especially in the field of developing Human Resource Management and even some approaches within Human Potentials Development instead of “pure cadre administration”. Additionally, delegation of power was developed as an idea at several levels concerning territorial organization of public administration and deconcentration of competences by the holders of public authority even in the private sector. Those measures led to strengthened apoliticization and professionalisation of public administration than before 1991. Such projects, as well as parallel programmes related to organization, such as the development of e-administration or openness of administration toward the users, were already mentioned in the Strategy for the Implementation of the Public Administration Reform in Slovenia (1997–1999). This strategy was adopted in parliament, which stressed its political significance, whereas all further strategies were approved only by the Government or merely line ministries. Along with the establishment of institutions for efficient implementation of European legislation (in accordance with the Copenhagen and Madrid criteria, Dujić, 1997; cf. Sigma, 1999), Europeanization implies several legal and other activities that are deemed to be elements of the New Public Management. The unification and harmonization of national legislation with EU requirements have been coordinated by the Government Office for Development and EU Affairs since 1996. Further reform in Slovenia included mainly the upgrading of legality and protection of the public interest as classic Weberian characteristics of public administration with transfer of values and work methods from the private sector, such as user-orientation, work efficiency and rationalization of resources (Peters and Pierre, 2005). The Strategy pursued the efficiency of the Slovene public administration and EU integration. It took in account the changing role of the state (from repressive to service functions) and thus of decentralization of decision-making and organizational structures, aimed at professionalisation, improvement of vertical and horizontal coordination of work, and clearer separation of powers between the parliament and the government. It wished to regulate the status of parastatal organizations and tried to link the work of public administration to the budget. Along with the formal requirements of the European Commission, an important impact on the development of the Slovene public administration was made by the European Administrative Space as a social phenomenon integrating convergence approaches in European public administrations (Sigma, 1999; Koprić, 2009). In that period, particularly between 2002 and 2006, Slovenia made an extensive use

of quality standards such as the Common Assessment Framework (CAF) with almost 100 users registered until 2011, or the ISO system with about 50 certified bodies (more in Eymeri-Douzans and Pierre, 2011). Still, one can argue that only the intensity and the extent of use of such tools can be evaluated at the moment, whereas the impact on better operations is yet to be examined. Nevertheless, it is a common opinion that a truly important contribution to the development of quality operations in praxis was made by the Decree on Administrative Operations (2005), a kind of citizen charter specifying, for instance, Saturday office hours, provision of general information, the book of complaints, annual and monthly surveys on user satisfaction with the work of public administration, with improvement plans, etc. However, given the unstable political support and time restrictions, the Strategy achieved only part of its objectives.

The main goals of the reform implemented between 2000 and 2003 were not defined in a specific strategic document. The key topics were the laws concerning the civil servants, the system of wages in the public sector, state administration, inspection, public agencies, public funds, amendments to the Local Government Act, Public Finance Act etc. The new General Administrative Procedure Act was adopted in 1999, with several further amendments, mainly in the sense of greater efficiency of the procedure. In 2006, new Acts on Tax Procedure and on Administrative Dispute that modernized the already established institutions of administrative procedural law were adopted emphasising the rights of the parties in administrative matters (cf. Statskornet, 2005). In the field of administrative procedural law Slovenia mainly followed good practices from the Yugoslav period. These adopted acts enabled a positive assessment of the development of public administration in the European Commission reports on the candidate's progress toward full EU membership, although the implementation of some of these acts in respect to the set long-term objectives has been and will continue to be difficult to analyze for a few more years considering the course of development (Rus, 2001; Trpin, 2003; Kovač, 2006). For instance, the Act of the Wage System in the Public Sector set up a single wage system for the entire public sector – as a totally radical structural reform compared to the previous regulations in Yugoslavia and Slovenia – to ensure an equal base wage for comparable positions, motivate and reward above-average work results and performance, provide for transparency and flexibility of the wage system in terms of public finance, etc. Yet, although the act was adopted in 2002, the new wage system eventually began to apply only in 2008, after six years of negotiations between the government and public sector trade unions.

Following the example of other EU Member States, the Slovene State Administration Act transferred a considerable amount of competences regarding the organization of state administration from the parliament to the government, revised the system of governance in state administration (distinguishing between the political functions – minister and state secretary – and the highest official positions – from director general down), and regulated the status of bodies within ministries by giving them relative autonomy for technical and politically impartial work. Gradually but distinctively, decentralization was introduced in order to develop independent regulators and leaner execution of public services. Again, no evaluation has been made with regard to the extent to which the goals have been implemented and with regard to side effects such as lack of democratic control (cf. Kovač, 2006).

According to the State Administration Act and the Civil Servants Act, since 2002 the bodies of state administration are: government offices, ministries, bodies within ministries and administrative units, totalling 130 units with approximately 34,000 employees (of which almost a half employed in the military and the police), as well as 211 municipalities with nearly 5,000 employees (AJ PES and MJU, 2011; cf. Cirman, 2011). Moreover, there are several thousand institutes, agencies, funds, and private bearers of public authority or providers of public services that have been delegated certain powers by the state or the municipalities, whereby the entire public sector of Slovenia employs approximately 159,000 people (2004: 150,177; 2008: 156,381), a third of whom work in administration bodies defined as bodies that execute public tasks with prevailing or at least some authoritative notion. In terms of the extent of the public sector, it needs to be emphasized that despite the same government objectives and inclusion in a single wage system, the trends in state administration are absolutely contrary to those in municipal administrations, let alone in other parts of the public sector – e.g. education or social security where employment has been increasing (2008-2011) while it is in decline in state administration. The aim of the Public Agencies Act has been to systematically regulate public agencies as public law entities carrying out regulatory, developmental, or technical tasks in the public interest. Agencies may be established by the state, a local community, or an association of municipalities (state agencies are for instance Security Market Agency, Energy Agency, Research Agency, Book Agency, Traffic Safety Agency, and Agency for Entrepreneurship and Foreign Investments). Their development potential relates to the transfer of narrower functions of state administration into the broader public sector, under the condition of greater

political independence or efficiency of implementation of administrative tasks, which is achieved because several bodies take such a form because of the EU requirements as well (e.g. the Public Procurement Agency and the Competition Protection Agency are being set up in 2011). Nevertheless, thus the objectives of the State Administration Act in the sense of increasing the technical autonomy of the holders of public functions with decentralization and deconcentration, particularly at the level of public institutes and agencies, has at least partially deviated from the set course since the number of public institutions and their staff is increasing without an apparent higher professionalisation in such areas. One can suspect that restructuring is occurring outside the state administration, at least in some areas, mainly to avoid governmental restriction policy on expenditure (cf. Bevir, 2011).

With regard to the civil service system, a new law entered into force in 2003. The main focuses of the Civil Servants Act as one of the most important reform acts, aimed at modernization of the Slovene public administration (OECD, 2009), include reorganization of human resource planning and employment by integration in the budgetary procedure, decentralization of human resource management to the level of individual bodies, greater internal mobility of staff given that the employer is the same, i.e. the state, setting up top public management from among officials rather than functionaries, a more objective system of selection and rewarding, introduction of horizontal training and qualifications at the Administrative Academy of the Ministry of Public Administration, mechanisms to increase flexibility and rationalize operations (project work, reorganization, reassignment), social partnership, etc. Moreover, the Officials' Council was set up in April 2003 with the primary goal of ensuring a professional selection of the highest administrative managers for whom the Act has stipulated conduct of an open competition (e.g. directors general at ministries, principals of administrative units etc.) and of developing a Code of Conduct for Civil Servants, adopted in 2011. In relation to the above, the development of anti-corruption strategies and bodies, such as the anti-corruption commission provided by the recently adopted (2010) Public Sector Integrity Act, also has to be mentioned. Unfortunately, similarly as in the work of state administration, here too the goals were often only partially achieved. For example, in relation to a higher level of professionalisation, the OECD comparative survey (Sigma Paper, No. 44, 2009, Sustainability of Civil Service Reform in Central and Eastern Europe Five Years After EU Accession) underlines the importance of defining top positions in public administration as professional

positions with only the very highest being political appointments, which Slovenia intended to achieve successfully with the reform pursuant to the Public Administration Act, contrary to Poland, Slovakia and Hungary. However, at the same time a gap can be identified among the countries; for example, the assessment of the actual depth of depoliticisation in Slovenia is lower than in Estonia.

In early 2003, Slovenia adopted the Act on Access to Information of Public Character (access to public sector information), which represented a significant step forward, toward greater openness and transparency of public administration, as it allows access to public information even to private organizations without legal interest in the case, as long as they are considered bearers of public authority or providers of public services. This Law is an important milestone since the nongovernmental commissioner strictly enforces it even against government bodies.

In addition to legislative projects, there were also several important officially government programmes prepared and carried out mainly by the Ministry of Public Administration and occasionally even by the other line ministries. These programmes were totally new compared to the Yugoslav or (even post) socialist tradition (cf. Dunn et al. 2006; Eymeri-Douzans, 2011). They all aimed at developing good governance between the authorities and other societal subsystems. An example thereof was the programme based on the Lisbon Strategy and the European Commission's efforts to cut down the red tape and remove administrative barriers. The programme was initiated in Slovenia in 2001 and coordinated by an inter-ministerial commission, but eventually enforced with several hundreds of procedural and other simplifications in the existing and newly adopted legislation when transferred to the competence of the Ministry of Public Administration after 2004. Another significant segment is the e-government programme based on the Electronic Commerce and Electronic Signature Act (2000), as well as the government Strategy of Electronic Commerce and the Action Plan for E-government adopted in 2004 and revised in 2010, with emphasis on the development of two-way interactive administrative services (e.g. the administrative units portal in 2002 and later the portal e-government and e-democracy, computerization of tax payments with modern payment methods) and on the internal informatisation of public administration, from data exchange among the bodies to inter-ministerial coordination and the EU portal. In that respect, Slovenia received even international recognition: in 2008, the UN award for the project of a single entry point for the registration of entrepreneurs, and in 2007 ranking second among the EU Member States in the develop-

ment of e-services for citizens. In 2006, amendments to the Government's Rules of Procedure were adopted, establishing a system of regulatory impact assessment with significant emphasis on the reduction of administrative burden with obligatory public consultation as of 2008. The Ministry of Public Administration largely contributed to public participation in administration and to the adoption and implementation of the Resolution on Legislative Regulation adopted by the parliament in late 2009 under the EU (and OECD) programme on better regulation.

However, there is again an evident implementation gap in almost all areas among various strategies, even in the most recent Exit Strategy with regard to the most controlled areas such as downsizing public expenditure. The lack of consensus and probably even more the lack of a consistent and persistent coordination at the highest strategic level of government in relation to reform goals and activities have resulted in opposing measures taken by individual ministries (Cirman, 2011). Of course, the problem is not a law or a strategy themselves but the difficulty to redefine administrative (sub) structures and cultures in order to ensure proper implementation of the particular law or strategy. Thus, specific projects are quite successful (e.g. the fiscal rule or the adoption of operational programmes for drawing EU funds) while at the same time some other projects are not being implemented (e.g. state guarantees to finance investments by companies), or are heavily criticized by the public (e.g. demonstration of 80,000 civil servants in the autumn of 2010, referendum on the pension reform to be held in June 2011), or simply inefficient (e.g. new employment despite the planned 1 per cent annual reduction of staff (1,600 people), mainly in public institutes and agencies e.g. in environment and spatial planning or justice and municipalities, together approximately 1,000 new jobs only in 2010, which means €287 m for wages at the beginning of 2010 and 2 m more at the beginning of 2011). Despite the failure of specific important goals, the development of the Slovene public administration has not (yet) come to a halt but continues with (minor, but continuous) improvements revealed by annual surveys on user satisfaction (including the external evaluation according to CAF in 2011) and in partial sector-specific programmes (e.g. new strategy of the development of e-government in 2010).

### 3. Between Results and (Lost?) Potentials of Slovene Reforms

Individual public administration reforms in Slovenia and the whole series of activities carried out in such regard may be assessed as successful if the criteria for assessment are the objectives set in the reform documents (mainly strategies or draft organic laws) and comparative indicators in the EU or other countries based on good administration and good governance concepts (European Commission, 2011). The level of implementation of these elements is a big development compared to Yugoslav heritage, especially with due account taken of Slovenia's size and therefore of some additional problems with the design and implementation of public administration reforms (Zajc, 2004). However, even in positively assessed areas where progress is evident (e.g. in the elimination of administrative barriers, modernization of the civil servants' system, enlarged use of quality management tools) the effects would certainly be stronger if, firstly, activities were planned more in the context of specific societal characteristics of Slovenia instead of uncritically following external (usually EU) »directives«. Secondly, the reforms should be carried out more consistently and integrally and with continuous political support. Like in many political systems of the world (Bouckaert and Pollitt, 2004; Eymeri-Douzans and Pierre, 2011), yet more often in less consolidated social environments such as post-socialist countries (Dunn et al., 2006, Koprić, 2009), in Slovenia the reforms have often been run merely in relation to a specific area or the priorities of the current government. Since the coordination is a key factor of performance of cross sectoral, especially EU related, policies, it is evident that certain level of implementation gap derives from this source. The reason for insufficient systematic reforms is also the shared responsibility of the bodies involved. This eventually results in a conceptual inconsistency of targets and approaches of individual policies and acts, for example, insufficiently emphasized role of public finance in the reform of the Slovene administration. Slovenia is nowadays still facing the interventionist role of the state in administrative regulation of social circumstances, politicization in administration or merely the economic understanding of the role of public administration in the process of public management (Pirnat, 2010). Public administration reforms have thus been implemented mainly under the process of Europeanization with evident continuity but with simultaneous lack of evaluation which is also necessary for programmes of, for example, delegation and decentralization of state tasks (Goldfinch et al., 2009).

Another aspect decreasing the success of reform activities is the over-orientation toward legalism. Within the development process, there should be an interrelation among the various dimensions of modification of public administration – functional, organizational, managerial (human resources, finances, IT, etc.), procedural and regulatory, and not exclusively the last one. A reform is not implemented merely with the adoption of a law, and specific changes cannot be carried out through regulations only. Yet all the strategies of the Slovene government have been based on laws, which made some sense in the mid 1990s because of harmonization with the EU, but turned out to be ineffective in the case of the 2010 Exit Strategy. The latter again envisages the adoption of 20 »reform laws«, whereby it evaluates the success of the Strategy only in terms of adoption of the relevant laws and not in terms of the results they produce upon entry into force. Thus, it can be established that the Slovene public administration has been reformed mainly legalistically, in relation to organizational structures and resource management, while the procedural aspect has not been a relevant issue – neither in terms of subject matter nor in terms of methodology of reforms (Kovač and Virant, 2011). This is not surprising considering that public administration acts as a monopoly with the purpose of protecting the public interest; to avoid misuse of power, a high level of regulation is present. As a consequence, the reform of administration necessarily has a regulatory character, but it also implies a limited scope of reforms (Rus, 2001; Pirnat, 2010).

Likewise, we note that reforms take place at »various speeds«, e.g. systematic introduction of quality management tools or reduction of employment and wage mass in the state administration on one hand, and even opposing activities on the other, in parts of public administration and the (wider) public sector owing to lack of affiliation and control over the reforms. All the above, together with the crisis, (can) turn continuous progress into development discontinuity.

Nevertheless, looking from a broad perspective, the following areas of public administration reform in Slovenia can be assessed as very successful in terms of development. First, with its administrative (and political) structures, Slovenia has set up a well-functioning state which actively contributes to the shaping of the European agenda despite the country's relative smallness. Public administration supports and enables the activities of the state in a supranational context as well as in relation to its economy and citizens. Second, there is a political and institutional differentiation between the state and administration on one hand and the providers of service activities on the other, which is a prerequisite for further develop-

ment of both segments (Peters and Pierre, 2005). Third, the organizational, procedural and regulatory changes lead to service quality for the users, work processes are not doubled and run smoothly and efficiently. Here, efficiency is understood (Goldfinch et al., 2009) as reduction of public spending (e.g. with programmes to eliminate administrative barriers and burden or to increase savings by optimization and computerization of work), higher quality of service (measured with various tools on a timeline, e.g. with mandatory surveys) with emphasis on user-friendliness and optimal internal organization of work in public administration (in particular rationalization of structures with simultaneous provision of access for the users, elimination of double services inside public administration and for the users, computerization of records and data exchange among administrative bodies, systematic and computer-supported inter-ministerial coordination). Furthermore, under the process of Europeanization, Slovenia complied above all with the structural and macroeconomic criteria. In terms of economic indicators, the extent of public administration in Slovenia is comparable to the other EU countries: under 10 per cent of the working population employed in public administration, unemployment is slightly above 7 per cent, GDP is approximately €17.300 and €20.700 measured by purchasing power parity per capita, which is the most favourable result among the new or transition Member States (Eurostat data for 2010; although less favourable figures can be underlined as well, e.g. in investment and economic competitiveness).

However, Slovenia has not (yet) set up a model of good governance characteristic of and marketized in several political documents. Despite certain NPM-driven reforms, the New Public Management in Slovenia still implies (merely) the organization and not political theory as governance »ideology« (Ferlie et al., 2007; Brezovšek, 2009; Eymeri-Douzans and Pierre, 2011). Good governance as the (declared) objective of recent reform endeavours puts greater emphasis on the governance process, takes into account the institutions outside public administration and underlines openness, communication, coherence, soundness, accountability of administration and participation of interested parties in the adoption of public policies (for example underlining the role of NGOs). On the contrary, from economic and political-science viewpoints, the approach recently taken by the government of Slovenia with anti-crisis measures should be evaluated with particular criticism. In fact, in times of outstanding market imbalances, public administration has a much greater role and its tasks increase (Pirnat, 2010). During the crisis, it must carry out more regulatory tasks (new regulations), there is more direct regulation in decision-

making, control must be increased because of growing illegality, more (social) services for the users are needed, and public administration must provide incentives for the economy, which all results in a greater volume of auxiliary administrative tasks. Therefore, EU law is also a combination of neoliberal deregulation and social re-regulation (Hix, 2010). In a period of economic downturn, state interventionism – if present – should be contrary to the economic cycles. Otherwise, even successful reforms such as the projects for a user-friendly administration fail to produce added value.

Finally, one can safely argue that all reforms of the Slovene public administration over the past 20 years can be deemed successful in terms of methodological and technical progress (e.g. rationalization of structures, territorialisation of administration, optimization of processes, modernization of human resource management, e-government, user-friendly services), and less so with regard to the processes disputable in terms of interests (e.g. local government, wage system).

#### 4. Conclusions – Do We Dare to Go Below the Sea Surface?

The Slovene public administration underwent numerous reforms that made its development rather dynamic and had the impacts ranging from rather positive to less successful. Major achievements include the infrastructural capacity of public administration to support the necessary changes in society – in the past two decades, these were: Slovenia's independence, EU accession and activities therein, and the response to the world economic crisis. Radical legislative reforms triggered off continuous modernization of public administration in several areas, such as the simplification of processes, quality management, e-government, rational use of resources. Other reforms have been introduced rather as one time story to satisfy the EU or national voters.

Due to the model of lean management as pursued in the private sector, the transition from individual reforms to continuous modernization of public administration requires awareness of the importance and a re-definition of all levels of the »iceberg of public administration«. Firstly, the elements that rise above sea level are easily visible and rapidly tangible and therefore more frequently subject to change, like technology and methods as well as work processes in administration (optimization and

computerization). Yet, neither the elements »below the surface« should be disregarded, i.e. those that are not evident at first glance but have even greater significance, such as designing and pursuing the strategic goals of the state and the creation of a system to balance legitimate interests in a society which acknowledges and supports such goals. The role of the state is changing – from the past role of the institution whose function was merely to remove market dysfunctions to the modern state which acts as a promoter of strategic development. Consequently, the role of public administration has to adapt to more partnership-oriented approaches by changing the underlying values of public administration. The following elements of the Slovene public administration require long-term and major changes in this respect: the need for hitherto barely touched decentralization, deregulation and better regulation, depoliticisation (as antipode to professionalisation and expert continuity in relation to daily politics), openness, and participation. Public administration is not merely a tool for implementation of the goals set at the top of the administrative pyramid, and should not be considered outside of or separated from politics, but within a political framework. The development of public administration thus opens new possibilities for further development of democracy. A more democratic administration, which is only possible with a positive politicization and which opens new political dimensions, should thus also include the socialization of norms, values and responsibilities of the civil servants (experts) in a democratic society. In the future, public administration reforms in Slovenia should take into account the basic level of social or political maturity, the achieved administrative changes, the economic situation, and the political and geographic characteristics of the state.

So – where does the future lead us to? There are basically three main typological directions open to governments (Bouckaert, 2011):

- a) neoliberalism with economic priority, marketisation, cutting down, outsourcing, understanding public administration as a fragmented structure, taking care of certain fields but causing significant costs;
- b) neo-Weberian (fundamental, not merely incremental), strengthening of the classic public administration values based on hierarchy but with autonomous agencies, contracts etc.; and
- c) governance with partnerships, networks, communication and cooperation of all key societal players, decentralization of autonomy etc., developing the public sector as a system of public services (cf. Bevir, 2011).

The combination of several political, economic and professional dimensions will determine the path which will be the »Slovene approach«. Hopefully, it will be the most promising development and implementation of »true« governance. Good governance is about efficiency but also about participation within political-administrative system; it is about ensuring economic growth, social cohesion, environmental concern, and political stability, with priorities of different networks and societal subgroups kept in balance. Even empirical indicators show a link between the quality of a country's governance system and its ability to pursue sustainable economic and social development (European Commission, 2011). The modernization of public administration is thus both a tool and a target by which and toward which the state can make a shift from mere public administering to the New Public Management and further to integral governance and societal progress (Eymeri-Douzans and Pierre, 2011). A continuous modernization of public administration therefore includes striving for performance and efficiency, as well as accountability in *res publica*. Mere following of the classic (even neo-) Weberian principles without imposing some managerial ideas and principles as well, or the NPM without inclusion of the traditional public sector values, are the ways that focus only on certain dimensions of public administration work but simultaneously neglect other implications (e.g. when strive for Weberian hierarchical responsibility demotivates excellent officials and even institutions or hinders co-decision-making by networks outside authorities; or when the NPM fosters privatization without taking over the responsibility for performance). Thus, good governance seems to be the concept that joins up the advantages and optimally manages the shortcomings of other concepts (mainly Weberian and NPM), which is especially important in today's complex, global and radically fast changing world. The nature and the scope of public tasks require stability and expertise, but there is a need to organize an effective way of providing them as well. To paraphrase other authors (cf. Ferlie et al., 2007) – we need less government but more governance; meaning developing decentralization, privatization and deregulation, but based on legality and legitimacy, the protection of public interest, transparency etc., including the participation of inter agencies, inter sectors and inter governments.

Like elsewhere, public administration reform in Slovenia has been a development approach which, based on previous achievements and future social needs, should evolve to modernization, seen as a process of continuous improvement of public administration in the environment that co-shapes it. Even more important is the understanding of the complexity

of effects of any change inside public administration as a social subsystem and provider of public governance. Therefore, public administration should not be underestimated but should be at the centre of political priorities. Modernization will be thorough and efficient only if the entire political and administrative system changes accordingly.

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## THE PUBLIC ADMINISTRATION REFORM AGENDA IN SLOVENIA – TWO DECADES OF CHALLENGES AND RESULTS

### *Summary*

*In Slovenia, public administration reform has been seen mainly as a systematic set of approaches applied since the country's independence in 1991, and in particular since 1996, when the aim was the country's full EU membership. The reforms were designed predominantly under the influence of the New Public Management, aiming mainly at the rationalization of structures and resources, user-orientation, development of e-government, and quality management. However, they were carried out rather legalistically although formally run under several overall reform strategies from 1997 to 2010, stimulated by twofold driving forces: the inner forces and the EU or OECD incentives. The goals and activities have been partly complementary and partly in contradiction with each other due to lack of evaluation and consensus in terms of implementation, but subject to continuous modernization and Europeanization. As for the future, public administration is not to be regarded merely as a technical tool to execute government policies, and neo-liberalistic attempts to downsize and delegate are particularly insufficient in a societal context. Thus, public administration should be developed as a factor of democracy and a pillar of good governance in society.*

Key words: reform, modernization, public administration, Slovenia, European Union, strategy, governance

## PROGRAM REFORME JAVNE UPRAVE U SLOVENIJI – DVA DESETLJEĆA IZAZOVA I REZULTATA

### Sažetak

*Na reformu javne uprave u Sloveniji uglavnom se gleda kao na skup sistematskih reformskih pristupa koji se primjenjuju od 1991., a posebno od 1996., kada je kao cilj postavljeno punopravno članstvo zemlje u Europskoj uniji. Reforme su kreirane uglavnom pod utjecajem doktrine novog javnog menadžmenta, s ciljem racionalizacije struktura i resursa, orijentacije prema korisnicima, razvoja e-uprave i kvalitetnog upravljanja. Međutim, provedene su prilično legalistički, iako su formalno provedene u okviru nekoliko strategija reforme javne uprave od 1997. do 2010., a poticaji za njih dolazili su iz dva smjera – unutar države i od strane Europske unije i OECD-a. Reformski ciljevi i aktivnosti djelom su komplementarni, a dijelom u suprotnosti jedni s drugima, zbog nedostatka evaluacije i konsenzusa po pitanju implementacije. No, svakako se može reći da su podvrgnuti stalnoj modernizaciji i europeizaciji. U budućnosti na javnu upravu ne treba gledati kao na puki alat za izvršavanje javnih politika. Neoliberalistički pokušaji smanjivanja javne uprave i delegiranja poslova posebno su neprimjereni slovenskom društvenom kontekstu. Stoga javnu upravu treba razvijati kao čimbenik demokracije i stup dobre vladavine u slovenskom društvu.*

*Ključne riječi: reforma, modernizacija, javna uprava, Slovenija, Europska unija, strategija, upravljanje*