

Session 6:

Public administration under pressure: the effects of financial crisis on public sector

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**Administrative reform in crisis environment: The Greek case**

The sense of urgency for action that is present during the current generalized crisis is considered to create the necessary prerequisites for administrative reforms. Looking closer at the results we realize that plenty of discussions, project proposals, drafts, even some regulatory changes might have occurred but, in toto, they are poor both in quantity and quality. Furthermore, they suffer even more because of the lack of social and administrative legitimacy, since they are forced to be in place by certain international bodies/agencies through irregular procedures.

We use data from the ongoing, since the early 2010, Greek crisis to prove that mimicking reforms by introducing regulations which are not monitored for their implementation, or by checking boxes in "reform measures checklists" designed outside the Greek context, does not ensure the long term sustainability of the results. Furthermore, as any reform process is a continuous effort rather than a one-off exercise, the current reform measures storm may lead to an undesirable result: Reform fatigue. The aggressive austerity policy is pushing for anti-reformative actions such as horizontal cuts of public wages and unjustified firing of civil servants. This approach leads to the culmination of a negative image of the public sector, through measures much more rapid and harsh even than those of the most liberal policies during the early privatization area or the NPM measures of the 80s, which have been repeatedly proven to fail.

Reforms need not only a broad vision within a context, which is currently missing in the EU, but also a deep reform movement inside the public sector of each country. Reform movements should be based on a self-reflexive understanding of its strong and weak (both formal and informal) points leading to eigen-solutions for any different case. There is no "one size fits all" solution to the need for public administration reforms. We use the self-referential systems theory in order to explain what is going wrong with the Greek public administration reform efforts and to make the case for an urgent need for differentiated approaches according to the specific characteristics and national identity of the country, whose public administration is reformed.

*Key words:* public administration reform, Greek crisis, system theory, identity, administrative science

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**Austerity measures in public sector in Slovenia and other selected European countries**

The financial and economic crisis has burdened the public finances of EU Member States, including Slovenia. The current priority of each country is to ensure sustainability of public finance. Countries respond to the consequences of the global financial and economic crisis with measures and different approaches that aim to achieve fiscal consolidation and

sustainable economic growth. In 2012, officially there were still the majority of EU member states in excessive deficit procedure for exceeding the maximum level of three percent of GDP, which allows the Stability and Growth Pact.

In the most EU countries measures to consolidate public finances are aimed at reducing government expenditures, which mainly include changes in the organization of public sector, social security and pension transfers. Most countries have started to streamline the public sector and froze or reduced employment in the public sector and several countries are also reducing public wages. On the other hand, the countries also apply measures on the revenue side, mainly by raising taxes and introducing new taxes.

In May 2012, Slovenia adopted the Act to balance public finances which aims to achieve the following objectives: to ensure sustainable public finances, to provide a legal framework for the effective management of public finances, to ensure macroeconomic stability, sustainable and stable development of the national economy and to establish rules for greater fiscal discipline. In accordance with the Act measures have been taken in the areas of civil servants, social security, retirement, labour market, taxes, economic growth promotion, etc.

In addition to the adopted Act to balance public finances, in December 2012 Slovenia adopted a pension reform, the Law on Changes and Amendments to the Law on Higher Education and the Law on execution of the budgets of the Republic of Slovenia for the years 2013 and 2014.

Short-term, adopted austerity measures are a necessary step to reduce the public finance deficit below the limit of three percent of GDP. But, for the sustainability of public finances radical structural interventions and reforms in the public sector are needed.

The aim of the paper is to show the current state of public finances in the time of economic crisis and austerity measures in Slovenia and compare them with the selected European countries. The objective of the analysis and comparison of austerity measures in selected countries is to gain an insight into the similarities and differences between them and on that basis make policy recommendations for changes in implementation of austerity measures.

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### **Evaluating organizational effectiveness**

The paper covers a theoretical review of the key principles of governance: effectiveness, efficiency and economics, followed by a methodological approach to evaluating organizational effectiveness of administrative organizations. The paper presents two case studies of organizational effectiveness for the independent state agencies in the Republic of Macedonia: Agency for Administration and State Directorate for Personal Data Protection.

*Key words:* Public Administration, Reforms, Economics, Efficiency, Effectiveness, Republic of Macedonia, Agency for Administration, Directorate for Personal Data Protection