

# **SOME TOPICAL PROBLEMS OF INTERRELATIONSHIP BETWEEN CONTEMPORARY EUROPEAN PUBLIC ADMINISTRATION AND PUBLIC ECONOMY DEVELOPMENT**

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Several principal problems of the contemporary public administration as well as public economy in Europe could be characterized in the following way:

- *the improvement of the up-to-date management of public administration in general*
- *the modern transformations implemented in the public economy including public finance*
- *further improvement of the information technologies utilized in the public administration*

Nowadays, all these mentioned questions are solved especially in the framework of the democratic public administration reforms implementation in the individual European countries - taking into account, predominantly, their specific features of individual countries economy and administration. Simultaneously in the Central European countries a special attention is devoted the possible implementation of steps and approaches made in the public administration of the European Union member states especially since the beginning of the 1980s.

A very important topical problem typical for the development of the European public administration as the whole is represented indisputably by the *role of quality of the public administration execution and the whole public sector activities execution* and its measurement. There is a general consensus in the European public administration that one of the most significant features is:

- *needs to develop more responsible and better quality of its execution for the benefit of all citizens in general.*

Other typical features of the contemporary European public administration could be assessed as the following:

- *the firm link between economic development and the existence of a stable, professional and efficient public administration*
- *the fact that improvements in the public sector yield benefit evidently through providing a supportive environment for domestic economic actors in attracting foreign direct investment as well as raising public trust.*

It is possible to stress that the public administration execution in the European continent rises the understandable very significant question „Why exist such a great focus on quality“?

A required answer to the mentioned basic question is inevitably connected, in my view, especially with some specific features of the European public administration contemporary development which are predominantly:

- *a shift from rules to responsiveness*
  - *„ „ hierarchy to partnership*
- and
- *„ „ audit to evaluation*

Such a conclusion is generally understood in the European continent as a support for key principles of good governance that are:

- ***transparency***
- ***accountability***
- ***openness of the implementation***

Other significant features of the contemporary European public administration are especially:

- ***a growing demand for public services providing without an equivalent increase in resources***
- ***rising expectations among users, as well as their propensity to compare public service with those provided by the private sector***
- ***the general need to demonstrate greater transparency in the use of public resources and to document performance***
- ***public sector manager's search for new tools to achieve better results within current budgets .***

The experience made during the development of the public administration reforms, in the individual European Union member states administration during the last third of the 20th century, also confirms the fact that efforts to improve quality of the public administration execution are taken – especially - in the hope of achieving a number of tangible benefits for authorities (first of all local government authorities and offices) as well as organizations providing services for citizens. The most significant benefits are:

- ***a culture of continuous improvement***
- ***better customer service***
- ***greater strategic thinking about missions and goals***
- ***sustained levels of performance***

Taking all mentioned facts into account there could be achieved one of the conclusions that policy - makers must make nowadays a number of strategic choices – predominantly between:

- ***statutory vs. voluntary approaches like key elements of a quality system (e.g. standards and procedures) that may be developed by:***
  - a) central government***
  - b) the other structures of the public administration as well as civic organizations that should be developed on the decentralized basis***

It becomes more and more clear in the vast majority of the European countries that such an approach allows:

- ***experimentation***  
***and***
- ***adaptation to local conditions***

which must be balanced with the need to ensure the coherence and comparable standards.

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The another typical feature of the contemporary European public administration is represented by the **focus on unit vs. system** which needs:

- ***to apply quality improvement initiatives in the single administration or business unit***  
***and***

- *simultaneously to take attention to the surrounding environment that is conducive to efforts undertaken at the unit level .*

Implementing the experience of the European Union member states as well as other democratic countries there is the consensus in the conclusion that **the extraordinary important role has to be played by central units of the national public administration**. They must be responsible predominantly for quality initiatives at the national level which means that they have to play:

*a) an important role in the co-ordination and the support  
and*

*b) to establish the balance between clients vs. stakeholders ,vs. citizens in meeting the needs and expectations of clients.*

There is another ever growing consensus in the European countries in stressing the fact that **efficient and effective public administration must balance not only the interests of public administration authorities but also external stakeholders** (especially taxpayers and, of course all elected representatives).

What concerns the **specific features of the public administration development and execution in Central European countries** the contemporary public administration has to play several other important **roles**.

First of all it must assist in economic development of individual countries with a special attention to:

*Foreign investment long- time attracting that has proved to be very sensitive to such factors as:*

- *law making*
- *institutional stability*
- and*
- *administrative costs*

**It is understandable that achieving higher quality standards in the public administration, and in the whole public sector has and will have a positive impact on business location, and investment decisions. This fact has a very important synergic effect.**

#### **SOME REMARKS TO DEFINING AND MEASURING QUALITY IN PUBLIC ADMINISTRATION**

It could be possible to stress that there is a general consensus among the specialists on the European public administration problems study that **the quality as the category** (including the quality in the public administration) **is relatively a very complex concept**.

The quality of products and services in the private sector is often hard to evaluate precisely. Nevertheless, the assessment of the organizational quality or even policy programme quality - necessary and typical for the public administration quality measurement - is even more difficult.

Taking the mentioned facts into account it is possible to stress that the Total Quality Management represents de facto the latest development in the evaluation of quality management systems not only in the private sector but also in the sector of public administration.

As **the main typical features of TQM** the following are generally characterised:

- *achieving maximum of customer expectations and satisfaction*
- *the orientation to continuous improvement of management instruments*
- *the client and competitor orientation*

*and*

- ***quality self – assessment***

A starting point of the private sector permanent orientation to quality was the break down of the Japanese telephone network after World War I/see: Ishikawa,K.

(1985): „What is Total Quality Control? The Japanese Way”, Prentice- Hall: Tokyo and New York, p.15/.

The TQM principles were implemented firstly in the Japanese electronic and car producing industries in the late of the 1970s and the beginning of the 1980s. It was in time when the quality inspection had more or less a purely technical function.

Quality inspection was further developed into statistical quality control during the 1980s. That time the quality measurement was based predominantly on quantitative data.

**Quality improvement started to be extraordinary important in the conditions of the continued globalization and shorter product cycles** typical for the development of the economy. Quality has become a competitive parameter and a strategic goal for all bigger companies.

**Customer ( or client ) - orientation** typical for the whole private sector **now refers not only to the external, but also to the internal customers** – so that the whole company may be interpreted as a network of customer relationships. The so called **marketing orientation** and **marketing culture** were developed inside the organizations. As a consequence, all management efforts started to be concentrated especially on the fulfilment of customer needs.

Comprehensive quality management concepts like company - wide quality control try to combine the old producer - oriented quality control with the customer - oriented quality assurance concept so that the idea of customer - orientation is also introduced into the production process.

There are many explanations of the TQM substance. One of the very significant comprehensive one was made by the U.S. Department of Defence underlining that:

***„TQM is both a philosophy and a set of guiding principles that represent the foundation of a continuously improving organization. TQM is the application of quantitative methods and human resources to improve materials and services supplied to an organization ,to improve all the processes within the organization,and to improve the degree to which the needs of the customer are met,now and in the future. TQM integrates fundamental management techniques, existing improvement efforts and technical tools under a disciplined approach focused on continuous improvement “***

(U.S. Department of Defence, (1990), “Total Quality Management Guide”, Vol.1-2, Government Printing Office, Washington D.C., p. 11)

Another important definition was made by Dr. Elke Loeffler stressing that  
***„TQM requires the full and active commitment of all employees to a corporate quality plan, as well as comprehensive information system that collect and process information with regard to customers, suppliers, corporate – wide processes and competitors. TQM also requires a willingness to invest substantially in training. Last but not least, TQM involves cultural change towards continuous improvement”***

(Loeffler, E.: “Defining and Measuring Quality in Public Administration“ – in: „Building Better Quality Administration for Public”, ed. By Joanne Caddy and Mirko Vintar, NISPAcee 2002, Bratislava ISBN: 80 – 89013-07-4, p.20)

**The fact that in the early eighties, the „total quality” concept developed in the private sector was definitely transferred to the public sector in North America and Western Europe started to play the extremely significant role.**

As a result of many debates oriented to the contracting-out assessment and implementation, public services started to be provided by public, private and voluntary organizations (different mixed forms of public-private ownership) directly through contractors in the growing number of the European municipalities and regions since that time.

*During the 1990s discussions waged by the European public administration specialists were also more and more oriented to the fact that in many cases quality management systems used for evaluating and ensuring goods quality in the private sector are not quite adequate, unfortunately, for assessing services quality provided by public administration. This inadequacy- as it was* showed on the basis of the concrete examples **stems predominantly from** three fundamental differences between services and goods:

- *services are intangible so that the precise manufacturing specification can rarely be set,*
- *services with a high labour content tend to be very heterogeneous,*
- *production and consumption of many services are inseparable*

#### **REMARKS CONCERNING QUALITY MEASURING IN PUBLIC SECTOR IN GENERAL AND ESPECIALLY IN PUBLIC ADMINISTRATION EXECUTION**

The assessment of the quality in the public administration is also complicated due to the fact that **there is no agreed definition of the quality.** *Different authors stress that a strong focus on measurement and monitoring typical for TQM can create a new bureaucracy in the public sector without much improvement in public services which could be considered to be a relative weakness.*

Nevertheless there is a common understanding that quality is a multi-dimensional concept which has to be assessed in such a way. As its most significant features are generally characterized the following ones:

<i><b>Tangibles</b></i>	<i><b>Reliability</b></i>	<i><b>Responsiveness</b></i>	<i><b>Competence</b></i>
<i><b>Courtesy</b></i>	<i><b>Credibility</b></i>	<i><b>Security</b></i>	<i><b>Access</b></i>
<i><b>Communication</b></i>	<i><b>Understanding the Customer (Clien)</b></i>		

Speaking about the assessment of the quality in the public administration it is necessary to mention that *a relatively new approach implemented in the European public sector, including the public administration is represented by the ISO 9000 series standards working out and their implementation* (at first in the United Kingdom in 1987 and then adopted by the European Communities as the standard EN 29000).

*The ISO 9000 is primarily important for contractual situations such as contracting-out or competitive tendering,* to help public agencies evaluate the quality of the production process or service delivery process of different suppliers and the expected quality level for the duration of the contract. The application of ISO 9000 – 9003 standards may be especially useful for organizational contexts which lack transparent written rules, structures and processes. Simultaneously trainers explained that public agencies are finding like the most useful the implementation of the ISO 9004 standard.

As the another tool for the quality in the European public administration improvement

## Citizen's Charters

Adopted in several European Union member states are often characterized.

These Citizen's Charters are generally oriented towards the increasing of the quality of services provided by municipalities and regions. Their decisive purpose is to renew citizen trust not only in public services but also in the state.

**The first Citizen's charters have been set up in the United Kingdom (*the Citizen's Charter*), in France (*La Chartre des Services Publics*), in Belgium (*Chartre de l'Utilisateur des Services Publics – Handvest van de Gebruiker van de Openbare Diensten*), in Portugal (*The Public Service Quality Charter*) and in Italy (*Carta di Servizi*).**

The general purpose of the **British Citizen's Charter** worked out in great details is to increase competition and choice offered to Citizen. French and Belgian charters are more based on a legal framework which dictates the role of the state and the rights of citizen. Their main intention is to improve public service delivery by maintaining equilibrium of rights and duties between various stakeholders.

## Quality Excellence models

Are mentioned too as one of the up-to-date effective instruments of the quality in the public administration assessment.

They are generally relatively new instruments. Like TQM first they were developed for the private sector and then have been transferred to the public sector

(1999: the version of the European Excellence Model

1998: Speyer Quality Award for German- speaking countries)

As **key criteria of Quality Excellence Models** were characterised:

<b>Leadership</b>	<b>Policy and Strategy</b>	<b>People</b>
<b>Resources</b>	<b>Processes</b>	<b>Different categories of „objektive“ and „subjective“ results</b>

Quality excellence models may be used for self- assessment or as the basis of external assessment in different organizations including the public administration authorities.

For the public administration the most applied model is the **Common Assessment Framework (CAF)**. It is basic contemporary orientation that could be characterized by the phrase: „*From high quality public services towards high quality public administration*“.

What it is important it is the fact that quality indicators utilized in CAF should not only be focus on measuring service quality as provided by an individual organization but also on the service system, and the overall quality of life in a specific jurisdiction.

**The European Foundation for Quality Management** ( founded in 1988 ) worked out the mentioned European Foundation for Quality Management (EFQM) standards This organization was created by 14 Presidents of major European companies. It is to be one of important organisations influencing the striving for the quality of the public administration execution in the European dimension. The European Foundation for Quality Management worked out the so following called EFQM values:

- *Strive for organizational excellence*
- *Customers driven and focused*
- *Value people and teamwork*
- *Act with integrity*

The **EFQM Model** is stressing especially:

- *Self- Assessment made by EFQM members to identify and facilitate ongoing improvements within their organisation in accordance with clear best practice procedures.*
- *The European Quality Award and Prizes conferring.*
- *Training and educational support in areas such as self-assessment, benchmarking and good practice sharing.*

Moreover, The EFQM worked out also following so called **EFQM Fundamental Concepts** which are fully implemented, both in the private and the public sectors:

**1. Results orientation** = satisfying the needs of all relevant stakeholders (employees, customers, suppliers, society in general).

**2. Customer focus** = underlining that the customer is the final arbiter of product and service quality and customer loyalty.

**3. Leadership and constancy of purpose** = underlining the fact that the behaviour of an organisation's leaders creates a clarity and unity of purpose, within the organisation and an environment in which the organisation and its people can excel.

**4. Management by processes** = a principle stressing that organisations perform more effectively when all inter-related activities are understood, and systematically managed and decisions concerning current operations and planned improvements are made using reliable information that includes stakeholder's perceptions.

**5. People development and involvement** = a principle showing that the full potential of an organisation's people is best realised through shared values and a culture of trust and empowerment, which encourages the involvement of everyone.

**6. Partnership development** = an approach stressing that an organisation works more effectively when it has mutually beneficial relationships, built on trust and the sharing of knowledge, and integration, with its partners.

**7. Public responsibility of organization's people** = it is best served by adopting an ethical approach, and exceeding the expectations and regulations of the community at large.

**8. Continuous learning, innovation and improvement** = the concept underling the fact that organisational performance is maximised when it is based on the management and sharing of knowledge within a culture of continuous learning, innovation and improvement.

All these mentioned instruments utilized for the quality of the public administration execution were mentioned and explained in the training courses implemented in the framework of the project.

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