ENVIRONMENT OF THE PUBLIC ADMINISTRATION – A CHANGING FRAMEWORK FOR THE PUBLIC ADMINISTRATION REFORM?

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ABSTRACT

Questions of effectiveness and efficiency of public sector and public administration are today the most discussed. The objective is to increase their efficiency and output. We examine their internal processes, we inspire us in related disciplines and institutions. But if we do not tie the public sector and the public administration to a wider public, societal system, our solutions cannot be really effective. But how do we see the broader environment? It's a view that is based on a situation when these institutions have been designed or a look at the today's real world? The world has changed significantly. This is reflecting in to the way the economy and society is working. And what happened?

Sociologists say that the society is swinging from the industrial era to the post-industrial era (Keller), Bauman says the transformation of modernity from the "solid" phase to the "liquid" phase, Kotler and Caslione are talking about the new normality characterized by an increased incidence of turbulence and Friedman presents his theory of the flat world.

KEY WORD

Public administration, environment, effectiveness, performance

INTRODUCTION

Looking for a better (working) state is the objective of the administrative science for a long time. The today's discussion in field of public management studies (according to Pollit and Bouckaert, 2011) is focused on three models – The New Public Management, Governance and The Neo-Weberian State. Each of them presents a unique combination of institutions, relations and philosophy of public administration and (or) management in itself and to its environment – the society[1]. The decision about application of one or other model is made by politicians. But what kind of needs does this decision reflect? Are these the needs of the society or the needs of politicians?

The goal of this paper is to present the results of an analysis of ability of public administration models to deal with problems of today's society. The paper is not a discussion about pros and cons of each of mentioned models or the final division of duties and responsibilities of actors. We would like to present a view of the changes the society is going thru form a point, which we think is in the intersection of other sciences – sociology (Bauman, Keller), political philosophy (Zakaria, Friedman), public policy (Potůček) and management (Kotler and Caslione). And on this point of view, we build and tie the arguments which model (the

[1] We assume that societal complexity decreasing is the main objective of public administration. That means, that the whole system of public administration is a product of society designed to fight the insecurity and risks. And if it is so, then we have to see the society (not just the civil sector but also the market) as the environment of public administration.

theories of public administration (management) models is based on authors like Bovaird – Löffler (2009), Osborne (Ed., 2010) and Pollit – Bouckaert (2011)) is probably the best choice for countries like Slovakia.

MATERIAL AND METHODS

First we have analysed the environment of public administration – the society. Our analysis is based on one hand on critical reading of works of leading authors (Part 1) and the analysis of public administration in this changed environment on the other (Part 2). After that we have analysed and compared the models of public administration (their inner philosophy, results of their applications and their ability to manage the challenges). Brief results and key arguments are presented in Part 3 where we briefly present only the results of an analysis of public administration models. The results of synthesis are summarised and discussed in the part Results and Discussion.

PART 1 - Public Administration and its surroundings

The world has changed. Changes which were made in last 20 years, affected its operations (functioning). This can be seen in society behaviour as well as in economy. Disregarding and simply ignoring these changes can eventually weaken the position of Public Administration as an actor involved in decision making process ongoing in its most tight environment, which make even fulfilling the most basic tasks impossible. So what happened?

Sociologists claim that society has switched from industrial to post industrial (Keller, 2010), times of modernity are ending up and there is postmodern society coming up (Keller, 2010). According to Bauman modernity has changed from the „solid“ phase to a „liquid“ phase (Bauman, 2008), the Management representatives Kolter and Caslione talk about the new age of normality which is characterized by higher occurrence of turbulation (Kotler - Caslione, 2010). Friedman (2007) talks about the causations which allowed this change to happen and summarize all in his concept of a Flat world.

„In 2000 we came to the whole new era. The „Globalization 3.0“ had begun. In its ongoing process the world is still diminishing more and more and the playground is stabilizing world-wide. Whereas in Globalization 1.0 were driving energy states and in Globalization 2.0 firms, in Globalization 3.0 the driving energy which this make so special is rediscovered ability of individuals to cooperate and compete globally.“ (Friedman, pp. 23, 2007).

With the ongoing technical progress (process of combustion, automobiles, cell phones, internet) the world has become even smaller. It has switched from medium size to a small one. Especially the last years of the Globalization 2.0 made a point-blank growth and penetration of ICT which allowed the transit to globalization 3.0. There wasn´t just the **wide spreading of ICT amongst the people at the different continents but its launching and linking up with daily life. This flowed into balancing and flattening[2] the world. Due to this, the actors involved in globalization processes are individuals and small companies not just big corporation anymore**.

[2] Friedman (2007) uses word flat in context to: 1, eliminate the geographical distances, 2, equalization of rights; Flattening of world according to Friedman allowed these factors to occur: the fall of Iron curtain – releasing of a huge amount of capital (financial and human); simplification of PC control (MS Windows 3.1) and consequential increase of effectiveness in firms; linking the world with the optical cables (dot com bubble); software for workflow; uploading; outsourcing; off shoring; provider networks; in sourcing; information – its searching and processing – Google, Yahoo!; increase of using digital, portable and virtual devices.

Friedman values the flattening of the world as a growth of the opportunities and despite of the growing of competition he sees it positively. Zakaria (2010) partly agrees with this opinion. On the other hand the sociologists such as Bauman or Keller are very sceptical about what had the changes brought.

Due to flattening the world there is ongoing process of growing the competition. This evokes growing risk and instability in to society. Globalization and the flattening of the world means the growth of opportunities and bettering of life standards among the people (China, India) but on the other hand this is removing the boundaries and increasing the mobility (worker as well as capital) and it appears as a risk and growing instability for firms and companies. The reaction of firms and individuals or companies is transit from the hierarchical to the network structure - networks[3] (Keller 2009; 2010). „*The concept of the social network should be served mainly as a symbol overcoming insecure and maybe as invisible but effective source of support in situation, when in consequence of rapid changes all other assurances failed*." (Keller, pp. 14, 2009).

The first difference is the flatter organizational structure toward the classical organization. According to Keller (2010) the virtues of hierarchy still remains even in transit to network structure. Network structure allows creating smaller and more flexible features on which is then placed responsibility for fulfilling tasks and in case of expulsion from the original society, the risk and insecurity is moved on them.

The basic goal in creating the networks is the opportunity to get to the sources of other members in network. Other virtue of network structure is its flexibility which comes from the possibility to always make its network due to actual need. One actor can be in one moment member of several networks. There might be problem in a lasting of this partnership because it last as long as they both benefit and feel comfortable in it. Once the benefit disappears, the link has been disconnected. „ ... *we can easily maximize own benefit through connecting sources of others. We are interested in these other people only due to their services which they can provide and which we need to achieve and we stay interested as long as it is beneficiary for us*" (Keller, pp. 22, 2009).

Bauman (2008) sum up changes in society in to 5 points:

1. Switch from the „solid" modernity into „liquid" means that social forms are changing and extinct faster, than are ready to be settled and entrenched.
2. There has been power separated from policy and it switched out of political control
3. Curtailment and abrogation of state social functions is diminishing Fundamentals of solidarity in society;
4. „long term reasoning, planning and acting failed and social structure in which could be this reasoning and acting helpful for the future had lost its power or just totally vanished." (Bauman, pp. 10, 2008);
5. Responsibility to solve the problems has moved on individuals regardless whether or not they are able to solve the problems and carry out consequences of their act

[3] „*From the very beginning of modern society the network is recognizes strongly ambivalently. Diderot talks about it as the tool of controlling from one centre for example nervous system act like this. On the other hand he could imagine self-regulating network, which do not have neither centre nor periphery, but act governmental neutrally in such a free circulation and interaction.*" (Keller, pp. 13, 2009)

By summing up these 5 points we could say that also Bauman is noticing the increase of insecurity and its switch on individuals or accelerating the changes of social structure (long term planning is making it harder).

Kolter and Caslione (2010) are getting to the similar conclusion. This changed state is referred as „new normality“, which is characterizing with the rising number of turbulent situations in economy. For the initiating moment of the last, big turbulence is tagged the fail of Bear Stearns bank. As they claim these turbulent situations were in particular economies present also before. The difference between the last and previous is in the rate of integration of economies to one worldwide economy is significantly higher in these times than it was before. Friedman (2007) is getting with the same conclusion – technological progress and information revolution, revolutionary technologies and innovation, hyper competitiveness and as well as Zakaria (2010) - rise of others. By summing up all information noted above we could say, *that there is challenging task in front of Public Administration in mater of insuring the development in quickly and unpredictably changing environment with the rather higher risk and rate of insecurity than it used to be in past.*

PART 2 - Public Administration in changed environment

Whole society passed through many changes and Public Administration as a part of it is not an exception. Noted above Kotler and Caslione (pp.12, 2010) describes it: *Nowadays and in the foreseeable future is the economy of new normality more than just a normal period of rise and fall of economic cycles and they eventually brought certain predictability on the macro level. We could expect more shocks and unpleasant breaks which affected increasing of the whole risk and insecurity in economy on the macro as well as on the micro level. (...) Increased turbulence is the new normality which calls for business and government representatives to easily understand, fully accept and create the new possibilities, new strategies how to cope when we are willing to achieve success in following years.*

Public administration has several reorganizational challenges to face. These are consequences of the development from the past few years when the combination of society evolution and applied approaches in field of management of Public Administration – principles of slim and activating state – lead to the following problems (Schlechter, pp. 7, 2009):

1. *Crisis of actors and institutions* – actors and institutions lost their politic-moral function of leading and steering. This one is executed by entrepreneurs, managers and expert boards;
2. *Crisis of political guidance* – political decision makers are under domestic (own citizens) and foreign (global markets) pressure and requests;
3. *Crisis of values* – they have changed from societal to individual
4. *Crisis of budgets* – expansions of budgets and the following loss of control (of budgets itself and realisation of fiscal policy).

It is necessary to perceive those, by Schlechter defined problems[4], as inner problems of the public administration system, which decrease its ability to realise set (developing) objectives. **But those problems decrease the social capital of public administration, what makes it for other actors a weak and untrustworthy partner.** This situation would be a way easier to handle, wouldn't be the public administration environment changing so dramatically and all those problems are to solve in a situation when, "*in the result of the information society – seen*

[4] In points 1-3 common with Bauman (2010)

as a huge, dynamic and complex network of relations structured by ICT – reigns a turbulent environment. Stabile (social) structures[5] *are crowded out to the bottom and integrating institutions have lost their credit. That means that networks (formal and informal) are becoming more and more important to let the economy and social life of individual and groups work"* (Seters – Frtman – Ruijter, 2003 in Frič, pp. 30, 2008). Opposite to hierarchic organisation forms networks have an evolutionary advance; they are more flexible, adaptable and communication transmissive – they allow a more faster transmission of information." (Frič, pp. 31, 2008). The crucial change is that it is no more possible to see the organisations of public administration as static and never changing, but we have to look at them as on living organisms[6].

It is networking what opens space for cooperation of single sectors and allows the hybridisation of those sectors. The problem is not that each single sector is adequate to solve other problems and uses its own instruments (by cooperation it usually comes to synergic effects) but in establishing equilibrium, which would guarantee the continuity of development processes. Changing the "power rates" between those sectors weakens the equilibrium and threats to change the way and intensity of ongoing developing processes. "*Seeking or finding the new equilibrium between market, state and civil society has already begun. (...) The new form of the equilibrium must be adequate to the "new global network society". This one is asking for a network configuration of sectors based on a cross-sector partnership and network governance. Consistently understanding of this idea and especially its realisation will be a very hard job*" (Frič, pp. 37, 2008).

Public administration tries to reflect those needs and adapt to this new conditions through the concept of governance. This new paradigm in relations and institutions configuration deviates the system from the original hierarchical structures based on power with competences (which execution was forced by long experience) to network structures based on social capital and an ability to adopt new competences quite quickly. Decisions are no longer made in a few known levels but in several until now unknown and mostly temporal levels. Creating networks exacts also a transfer of competences in vertical level. *"The nation state is altering to be the exclusive element of communication between the parts of administrative system, communication is running on several levels and in several directions. This process is followed by a larger state fragmentation, administration on all levels became a larger opportunity to participate on the administrative process, policy creation and implementation"* (Rovná, pp. 42, 2008). Strengthening of regional and local administrative units is possible only on the expense of higher levels or through the transfer of their competences. But problematic is the capacity and strength (social capital level) of these new actors. In the case, that the demands on execution of these new (transferred) competences overtop the capacity of these actors, it comes to their overload and following paralysis of the whole development process. Despite the weakening of the state (decentralisation, liberalisation) is its role in the society irreplaceable.

Weakening the state (decentralisation, liberalisation) transfers its duties on the other two sectors – market and civil sector. That makes the borders of the state sector almost invisible and instead of a clear line they became more a foggy belt. While the state shares the (public) good production with other sectors, it shares also a part of its public authority which

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[5] To which institutions of public administration have count and counts; it is that public administration has to be the carrier of continuity and stability

[6] This opinion (in management) is presented also by Kislingerová (pp. 159, 2008), where she says that: "*Formulations of the basic hypothesis on projecting of normative models of organisation command system in knowledge economy are changing: radical changes in enterprise environment enforce the shift of the global paradigm form a model type "machine" to a model type "living organism*".

it was the sovereign proprietor. Despite of this transfer, it keeps "*the exclusive role in public power execution (...) The growing role of market and civil sector in handling public tasks heads to a new conception of role of the state. Easier expressed, the state has to handle the shift from domination to partnership whereby it defines an area, where his authority cannot be replaced by any other actor"* (Potůček, pp. 113, 2008). The result is a call on an inner reform (see Schlechter in the beginning of this paper) of the system of public administration and principles on which is the state build. "*We are definitely not witnesses of "administration necrosis". What we need is a self-confident, strong and very active administration. But we have to decide between a large, but impotent administration and an administration, which is strong, while it's focused on decision making and affecting and leaves the execution on others. (...) It is not an administration, which "administrates", it is a administration, that really administrates"* (Drucker, 1994 in Potůček, pp. 119, 2008). Fukuyama (2004) comes to a similar conclusion, when he says, that it is necessary to have a strong state[7] all above, which is able to realise its interests. The problem is not that the execution of public (state) power or a part of it was moved from the nation state level a level up or down, or to an another sector (market or civil sector). Problem is an insufficient capacity of administrative units to guarantee the quality of administrative and development processes. "*According to Dror (2001) it's of vital concern to strengthen the capacities of public administration on regional, national and all above the global level, improve and enrich its functions, increase its ability to adapt and quickly react on changing life conditions and people needs. He recommends a public administration which will be, comparing to its present look more professional,* ***effective*** *and superior"* (Potůček, pp. 119, 2008). Public administration should focus mainly on improving its own performance focused on its tasks and objectives strengthen its ability to be a relevant partner in networks and a strong competitor for actors enforcing their interests at the expense on public interests. "***Solution of the urgent problems of this era is not in restriction of the state, but in creation of a better working state.*** (Public Administration, 1996 in Potůček, pp. 119, 2008).

PART 3 – The Public Administration/Management Models

Now its time, to come back to our three mentioned models: the New Public Management (NPM), Governance and the Neo-Weberian State (NWS; aka New Public Administration). With the NPM, we forgot about the duties and responsibilities of the classic Weberian state. The new mantra was the 3E and not "*the facilitation of solutions to the new problems, the legitimacy of representative democracy, the role of administrative law and public service with a distinctive status, culture and terms and condition*" as Pollit and Bouckaert defines the weberian elements of NWS (pp118, 2011). The problem was not NPM and its aims or philosophy. The problem was, we thought that NPM would solve all problems with business(like) models and instruments. But we forgot about the "mind and soul" of government and public sector and tried to change hierarchy and administration to management. We have tried to manage a system that is designed to achieving social effectiveness like a system that is designed to achieving economic effectiveness. This could and has not worked. But there is still a place for NPM today, we only need to find the right place (and that are all *the economic* questions and not social and political) where to use the principles of NPM.

[7] Fukuyama (2004:18) understands the state power as „*a sphere of action* and also its *capacity"*. Scope for a range of activities carried out by the state from the basic protection of people and property to the high standard of wealth redistribution. Capacity of the state lies in the fact that that state is able to carry out the project and also how i tis successful. Combining these dimensions we get the resultant force of law, which we are able to place into a matrix with four quadrants.

The Neo-Weberian State. We would like to use the same division as Pollit and Bouckaert (2011) – the "*weberian*" part (mentioned above) and the "*neo*" part. The weberian part is presented as *reaffirmation* to the classical weberian values. But unfortunately, the neo part is focused only on an upgrade of classical government issues. And this is a problem. This new model builds on same hypothesis like the "old" public administration and takes no reflection on the changes that happened (new tasks, more complexity, duty and responsibility redistribution etc.) and keeps all the responsibilities on government. One may argue, the NWS is more open than NPM and the state has more power. Yes, that is true. But according to the changes described above it is still not enough. The NWS is also like NPM oriented on the inner side of public administration. This is in a different way very useful. As we have mentioned above a strong and effective state is necessary to guarantee the development process (compare to Fukuyma 2004). And both of these models can help us make the state work better (assuming they will be used to improve their own (the right one) part of government/management).

The Governance model is from our point of view the solution of the problem. But we see it not like the answer to the question which model to choose. We see it much more like an evolution level. And evolution is about respecting environment and adapting the specimen to the changes of it. The model of Governance allows the state to react and adapt faster than the NWS and keeps it stronger than the NPM.

RESULTS AND DISCUSSION

We have shown that the environment has changed dramatically and these changes are still going on. We have also shown, what has the public administration to do, to be able to deal with these changes. And there are also several models of public administration which can be adopted. But if we know all this, why does it not work? And how can this help to the discussion of public administration reform in Slovakia?

The problem is in a partial and not complex approach to the public administration reform. The history has shown that we have always tried to adopt one or other model (especially NPM) without trying to understand its inner philosophy. What we have also forgotten is to develop the public administration system continually according to the demands of society and a broader, global environment. Now we can see that governance will be the next level in public administration evolution. That means that we have to create an administration system that will be strong and flexible enough to last. A form of municipalisation will be necessary and a discussion about a common model of public administration would also be interesting.

CONCLUSION

There are no doubts about the necessity of (these) changes also by the representatives of the public administration. But unfortunately they deny thinking about changes in the environment of public administration as a reason for its malfunction and inefficiency. They (and also we) are looking for easy answers and solutions represented by complex and consistent models which could be adopted. But the solution is not that easy… The answer is not in choice, it is in evolution. We cannot adopt one or other model, we need to rise our own, strong and flexible enough.

In our future work we would like to answer the questions about the "new" model of public administration in Slovakia. Our work will be partially based on arguments mentioned in this paper.

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