# DEVELOPMENT OF PUBLIC ADMINISTRATION IN CENTRAL AND EASTERN EUROPE

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Abstract: The main attention is paid to the characteristics of public administration reform in CEE. In particular, public administration was analyzed using a system of indicators: political stability and the absence of terrorism; efficiency of government activities; quality of government legislative activity; rule of law; control of corruption. The reasons of application failures of public administration and consequences of its introduction are outlined. Also have been identified the key features of the SIGMA program, which formed the preconditions for the introduction of public administration in the CEE countries. The reform of public administration through the implementation of e-government has been clarified. It is substantiated that the efficiency of public administration is influenced by such indicators as: political stability, corruption control, the quality of government regulations and the rule of law. In particular, attention is focused on the priority of the rule of law and rule-making activities.

Keywords: public administration, governance, Central and Eastern Europe, COVID-19, public administration, good administration

### **1** Introduction

The progress of states is based on the formation and implementation of a model that involves a change of emphasis in society from the state itself to its citizens, their active involvement in the social space. Changes in civil society generate requirements for direct public administration, its content and form, in particular the format of "public administration".

Public administration includes the organization of government agencies, including and those in power, focusing on management issues related to control and leadership (leadership), planning, organizational services, information systems, personnel management and performance appraisal.

The aim of the study is to make a research of the public administration development in Central and Eastern Europe in terms of ex post, covering the last three decades.

# Research tasks:

- 1. Analyze the evolutionary development of public administration in CEE countries.
- Assess the characteristics of public administration in CEE countries.
- Investigate the regression dependence of the influence of certain characteristics of public administration on government efficiency.

### 2 Literature review

In Bouckaert & Werner (2020), public administration is characterized as a process that has been sought to increase efficiency for a long time and not only in Europe. These researchers analyzed the evolution of public administration as a concept of government and identified management systems in developed European countries: public administration (traditional public administration, which reflects the development of bureaucracy, lack of innovation, efficiency, effectiveness and feedback); a new system management; new public administration (public management, which is focused on citizens as consumers of public services, based on innovation); the new public administration (NPM) is essentially a public administration where the focus is on citizens. They also highlight the necessary (good) governance (Good Government) which is used to create and maintain conditions of openness, transparency, efficiency, accessibility of law, justice, etc. Thus, public administration is seen as a modern outward-looking, dynamic system, focused on the management of many stakeholders. In particular, public administration in the EU is a multilevel management of the European institutions; national authorities, local self-government; civil society, the involvement of international experts and lobbyists.

Ågh (2013) noted the roleparticipatory and good governance democracies, which have significantly affected the effectiveness and political legitimacy of the new CEE democracies. Governance (middle-level participatory democracy) in CEE countries is characterized by low efficiency and lack of effective public administration. The results of the study generally indicate that CEE countries lag behind the developed EU member states in the development of democracy and should catch up not only with the economic sphere, but also with regard to public administration systems and public policy. By Europeanization, the author understands the dissemination of experience and the introduction of best practices of the EU governing bodies or other Member States in national public administration systems, adaptation and modernization of national procedures, norms, standards to EU norms and rules.

The main message of this work is that the Europeanization and democratization of public administration and public policy in the CEE countries cannot be carried out without participatory democracy, i.e. without the participation of large masses of the population in new institutional structures and transformations. Until recently, researchers and practitioners, who studied public administration reform in Europe relied mainly on the main work of Pollit and Bouckaert. However, as the analysis of scientific research in this area shows, quite a lot of developments have appeared in this field (international comparisons, specialized OECD studies).

A number of works have also been devoted to the study of public administration issues in the EU countries. In particular, among them interesting developments are the impact of new governance reforms in European countries (*Andrews, Hammerschmid, Walle* (2016) – COCOPS project (Coordinating for cohesion in the public sector of the future); research and publications (The Network of institutes and schools of public administration in Central and Eastern Europe (NISPAcee).

At the end of the last century, public administration was used with very limited success in many developed countries. It has also been part of several reforms, at least in some CEE countries. The result of its application can be as a simple cost reduction, or it can be effectively used for better efficiency in the near future in a crisis of public finances (German, 2010).

Definitely, researchers *Kotnik, Kovac*(2018) studied a series of text documents that included 142 articles published between 2008 and 2016. As CEE (still) faces (post-transition) challenges, the development of public administration is important. In this context, it should be emphasized that public administration and its reforms need to be addressed in a multidisciplinary, if not interdisciplinary manner, in order to succeed in solving problems. In practice, CEE countries must unite their potential to learn from each other and to develop democratic and effective governance. NISPAcee's activities are aimed to support these goals.

Public administration reform is in the heart of developments in CEE. It was not just a reform from a centralized economy to a market economy. Huge efforts also have been made to transform and modernize the public sector. The NISPAcee Working Group on Public Administration Reform addressed issues related to such reforms, including the reasons for missing, slow and ineffective reforms. At the first NISPAcee conference, the root causes were still sought in the conflicts between external

pressure for reform and dependence on the path. The context and common succession of the CEE countries, including the role of officials, the denial of the importance of competence, the lack of a merit system and the lack of civil service were considered extremely important. The explanations were found in the conflict of interests in state organizations, lack of skills, knowledge and positions in the public sector (Iancu, Junjan, De Vries (2013).

The monograph of Kovač (2015) is devoted to modern New Weberian and proper management, as managed models are one of many initiatives launched by NISPAcee to provide scientific expertise to support CEE countries in finding the most effective management approaches. In it, authors from CEE and other European countries explored modern theoretical paradigms and administrative practices in individual countries and regions with certain characteristics that should be taken into account. It is proposed that CEE countries develop additional resources to develop democratic and effective policies, using so-called good governance as a doctrine that includes Weberian and public governance.

Assessment of the main causes of reforms and driving forces in Central Europe based on the method of cluster analysis and classification of reforms in public administration presented by researchers Bouckaert, <u>Nakroshis</u>, <u>German</u> (2011). Since joining the EU, the European Commission's ex-ante controls have been replaced by much weaker ex-ante controls in the event of non-compliance or delayed implementation. It is possible that these factors, combined with a number of shortcomings in the political and party systems, have reduced the willingness of the new EU Member States to participate in successive reforms of public administration at the internal level.

Bouckaert, Nemec, Nakrošis, Hajnal and Tõnnisson (2009) concluded that CEE countries, which collapsed under communism, generally had a completely disqualified state model of bureaucracy. Most of the methods acceptable to the vast majority of EU member states were (unambiguously) not suitable for CEE countries, they were alien to the socio-cultural reality in which these countries found themselves and they did not have the necessary economic experience and did not correspond to the way of functioning. Foreign advice has also increased confusion in governments bombarding parallel, often contradictory models. Civil servants inevitably faced uncertainty caused by a change in the political system (which also called into question their moral integrity and continued employment), caused by ultimate uncertainty about the size and role of government and how it functioned.

An article by Meyer-Sahling (2009) examines the state of historical heritage in discussions on public administration reform in CEE and identifies: hereditary arguments as negative consequences of the communist past; similarities between the administrative past and the current composition of CEE administrations to demonstrate the importance of heritage; interaction of the consequences of the legacy with other determinants of administrative reform, such as European integration and political parties.

In the early 1990s, the political and state administrations of the CEE countries had many common features due to their common communist legacy, as well as the period of accession to the EU, which stemmed from the EU's requirement for "administrative capacity". However, the internal decisions of individual CEE governments after accession distanced them from each other. While some CEE countries are facing changes in democratic public administration reforms, others are pursuing e-government initiatives and a modern phase of public sector development. (Randma-Liiv, Drechsler, 2007, 2016, 2017).

In the CEE region, there has always been great tension between somewhat Eastern realities and "Western" aspirations; tension outlined by the concept of "modernization". It should be borne in mind that future success depends on the ability to apply effective Western solutions that match the national identity. This study also focuses on the negative role of major international organizations, most notably the IMF. These organizations have proposed or, conversely, forced CEE countries to apply public administration in the form of shock therapy to a patient in a state of shock (Rhodes, 1997).

In addition, according to Liebert, Condrey & Goncharov (2013), corruption related to government, in particular during mass privatization, election politics, police, courts and health care, plays a leading role in public administration reform and higher education as one of the biggest problems in many countries. As a result, there is an evidence that there are significant differences in the level of corruption among post-communist countries. Thus, Estonia, Poland, Lithuania and Hungary were among the least corrupted countries. Another important factor was the low competence of civil servants in Romania.

Intensive scientific work on the study of public administration reforms in the CEE countries continued in the following researches:

- during the the formation of public administration, Kovač and Bileišis (2017) noted the need to create new management tools, public administration, reform of administrative procedures / services, civil service development, decentralization and agency processes (building political and management networks), market marketing (transformation) states with mass introduction of public administration methods.
- Nemec (2010), Sorin and Pollitt (2014) concluded that the success of public administration in Central and Eastern Europe was very limited, including an explanation of some specific regional factors that determine the level of success. Nevertheless, he states about the management of contracts, goals, competition, etc., as a goal is a forgotten history (not only for CEE countries, but also in general). However, it is a future goal to manage a predictable, reliable and consistent, open and transparent, accountable and accountable bureaucracy, using evidence-based information and policy advice, while properly managing the efficiency, costeffectiveness and efficiency of any government operation. The researcher singles out Estonia as a country, where the ideas of public administration prevailed in various concepts and strategies for public administration reform, which emerged in the second half of the 1990s.

In his article, Nemec (2014) discusses an issue of decentralization in Central and Eastern Europe after the signing and ratification of the European Charter of Local Self-Government. Decentralization as one of the approaches to reform has several positive consequences for governance, but it can also have negative consequences. There are questions about the distribution of financial resources, optimal territorial structure and weak local democracy. Local governments, especially smaller ones, are not cost-effective in either administering or managing the quality and cost of public services. In order for the reforms to realize the necessary democracy and efficiency, the author proposes to adhere to some principles of decentralization.

- Reinholde, Guogis, Smalskys, Žičkienė and Klimovsky (2020) assessed the basic development of public administration in Central and Eastern Europe, indicating the most important stages of modernization in the light of the prevailing theoretical paradigms. The authors have singled out public administration as the most desirable paradigm in Central and Eastern Europe, especially due to its social attractiveness and sensitivity, but it still lacks more of specific methods and tools to apply in practice. Due to its capitalist spirit of entrepreneurship, public administration has only partially changed the model of public administration. At the same time, the principles of public administration are focused not only on the participation of citizens and groups of citizens, but also on the development of social welfare, social quality, social responsibility and social justice. These values are the most necessary to overcome the side effects of modernization.
- Bayar (2017) noted the impact of the integration process of some CEE countries to the EU, which supported and accelerated the transformation thanks to the existing EU criteria and

financial support. As a result, CEE countries have come a long way in terms of good governance and the interaction between the quality of public administration and financial development.

The basic development of public administration in Central and Eastern Europe was assessed in a study by Reinholde, Guogis, Smalskys, Žičkienė and Klimovsky (2020), indicating the most important stages of modernization in the light of the prevailing theoretical paradigms. It is concluded that by developing and presenting principles that are more progressive and values of public administration, such as openness, transparency and social justice, social quality, absence of corruption and more active nongovernmental organizations, CEE countries can achieve more stable democratic development and eliminate or minimize the negative impact of public administration on various areas of public sector reform.

Country studies presented by Kovac, Gajduschek (2015) also provide comprehensive information on public administration and public administration reforms in individual CEE states. In particular, Gajduschek (2015) provided a brief, critical, reasoned overview of the four main theories of public administration as they have emerged in the CEE over the past few decades. He discusses bureaucracy in more detail. This is due to the generally accepted view that it was the communist regime with its politicized personnel policy, which hindered the formation of a full-fledged bureaucracy and argues that there are other longterm obstacles in the region. Public administration, advocating a minimal level of government influence, was in its heyday when the CEE states began their transition from a communist regime based on the idea of an all-powerful government. Good governance and the New Weberian state are widely discussed among researchers in the region. However, such solutions are unlikely to be found in practice in CEE countries.

*Onofrei and Lupu* (2010) compared the main characteristics of public administration in CEE countries. Faced with the financial crisis, governments are beginning to take steps to improve governance. In particular, the evolution of public administration in Romania between 1990 and 2009 is analyzed; the impact of the financial crisis on it; and finally, which is important, the econometric model establishes the relationship between the main factors of influence, GDP, government spending and the number of civil servants.

Thus, the research conducted on public administration in the CEE countries is quite thorough, but needs to identify current trends given the significant changes taking place in EU public administration and as a result of COVID-19.

### 3 Materials and research methods

In this study were used the following methods: withgeneral scientific methods (induction and deduction, description, analysis, synthesis, generalization) and special (statistical method, system analysis, descriptive statistics and interstate comparisons, graphic method). We will also use the list of countries used for international comparison in UN statistical publications. The choice of countries is limited to the member states of the European Union.

The research concerns the potential observation of differences in the development and current state of public administration in CEE countries today. To this end, we use covariance analysis to identify priority drivers of public administration in CEE countries and the international methodological approach of comparative research, as it is a variable-oriented approach and as it is recognized that a full theory may be absent in this particular study.

This article uses a descriptive analytical method. Descriptive analytical method is used often to study social processes (in this case, public administration) and their current trends or new phenomena, selecting information about the current situation, and wanting to have a comprehensive picture of the analyzed phenomena.

In our case, research analyzes and evaluates the phenomenon of "new government", which is socially responsible and focused on citizens and their groups. A comparative method is also used.

This method is perceived as maintaining the consistency of information about administrative reforms and their features in different CEE countries.

#### 4 Results

Today, effective public administration is one of the main tools for ensuring the implementation of effective public policy aimed at developing such strategic areas as: efficiency and improvement of administrative services, growth and guarantee of social standards, competitiveness and sustainable economic development. In addition, public administration today is the driving force behind the implementation of the process of European integration and the implementation of qualitative changes in the context of countries meeting the criteria for EU membership.

This process is especially significant in the CEE countries, which have significantly transformed the system of public administration for more than a decade. The complexity and duration of this process is due to the specific features of public authorities, which were inherent in their accession to the EU. In particular, these are: features of command-administrative style, clear hierarchical structuring of public authorities, duplication of workload between them, high maintenance costs, total control over the activities of public organizations, restrictions on the free will of citizens and freedom of speech. Thus, some countries in the region have managed to improve public governance by transforming it in accordance with the practical experience and experience in this area by EU member states and became part of it, another group of countries in the region,

Public administration reform in CEE countries in the context of ensuring their membership in the EU was carried out in the direction of forming effective state institutions, rules of their functioning, procedures and mechanisms of interaction between them, as well as proper staffing of civil services.

In order to ensure the effective reform of public administration in the CEE countries, the SIGMA program, which deals with the implementation of transformations to ensure certain political, economic and so-called membership criteria, has been used for their accession to the EU.

In generalized form, the development of public administration in accordance with the requirements of EU accession, due to this program provides:

In the political sphere:

- ensuring the free expression of the countries' citizens will during the presidential, parliamentary and local elections;
- formation of an effective civil service with appropriate staffing;
- ensuring the decentralization of state power;
- promoting the establishment of non-governmental organizations and expanding the scope of their activities;
- improving the effectiveness of the fight against corruption and crime;
- ensuring objectivity, transparency and the rule of law;
- promoting the formation of an independent information space;
- protection of the rights and freedoms of citizens.
- In the economic sphere:
- ensuring transparent management of public finances;
- promotion of effective budgeting taking into account national peculiarities;
- ensuring effective, independent financial control;
- creation of a transparent public procurement policy;
- ensuring the appropriate level of key economic indicators;
- providing social guarantees.
- In the European integration (membership) sphere:
- adoption and implementation of European law (acquis);
- reforming administrative and judicial structures in accordance with the norms set by the European legal framework.

The result of achieving certain criteria should be a European administrative space formation. At the same time, in practice, the development of public administration in the CEE countries, which are part of the EU, usually involves the implementation of the following stages:

- decentralization (formation of self-government basic territorial units, development of the relevant regulatory framework, implementation of a new territorial system);
- reorganization of the government (creation of state agencies, renewal of the structure of ministries, provision of appropriate legislative bases for the implementation of such reforms);
- 3) introduction of new mechanisms and procedures (formation of a system of tenders and transparent public procurement, development of relevant legislation in the field of anticorruption activities, public finances, access to information, etc.).

At the present stage of development of public administration, the models of New Public Management (NPM) and Good Government (GG) are most often used. The essence of NPM is the implementation of best business practices in the field of public administration and therefore does not provide for the existence of dogmatic models that are the basis for reform. The main principle of such reform is to minimize state intervention in the economies of countries and its dominance in those areas where its need is socially justified. At the same time, the activities of government agencies should be customer-oriented. Despite the progressive nature of this approach, opponents of the NPM argue that such a model of public administration significantly limits democratic initiatives, identifying citizens primarily with consumers of public services, while eliminating the fact that they are the sources of political power, social initiatives. In addition, the prerogative of applying this approach is to ensure the economic effect of ongoing reforms, while sociocultural values are of secondary importance.

The concept of GG is slightly different – It envisages the transformation of public administration based on the principles of free will, decentralization of power, participation, rule of law, independence of the media environment, political pluralism, hierarchical accountability of public authorities and democracy.

At the same time, it is necessary to determine the fundamental difference between these models, which is that GG, in contrast to NPM, presupposes the presence of the state as a full subject of

making and implementing management decisions in all areas of state development. After all, a disciplinary structural element ensures interaction between the main areas of activity in the country and provides a constructive dialogue between business and society. In addition, the NPM provides for the decentralization of public administration, while the GG is based on the implementation of the project principle of the organization.

At the present stage of public administration development, egovernment is becoming especially popular, accompanied by the digitalization of the main activities of public authorities. This direction is extremely relevant in a pandemic caused by the spread of Covid-19, which requires social distancing and public services quality.

From the data given in Table 1, we can see that all CEE countries, which were surveyed during 2018 and 2020, are characterized by high values of the e-government index (EGDI), which indicates the ability of states to respond to today's challenges and quickly reform public administration by improving the quality of services provided and reducing their spending implementation, which is especially relevant in the Covid crisis.

Table 1 – Dynamics	of EGDI in CE	E countries in 2	2018 and 2020

EGDI 2018	EGDI 2020	2020/2018
0.72	0.79	0.07
0.71	0.81	0.1
0.79	0.84	0.05
0.66	0.69	0.03
0.72	0.78	0.06
0.71	0.81	0.1
0.87	0.85	-0.02
0.77	0.85	0.08
	0.71 0.79 0.66 0.72 0.71 0.87	0.72 0.79   0.71 0.81   0.79 0.84   0.66 0.69   0.72 0.78   0.71 0.81   0.87 0.85

Source: Summarized and calculated by the authors according to United Nations

https://publicadministration.un.org/en/Research/UN-e-Governm ent-Surveys

It should also be noted that in 2020 Bulgaria and Slovakia for the first time were included in the group of countries with a very high value of EGDI. Moldova is also showing significant progress in this direction. In the context of the growth of the e-government index in 2020, there is an increase in the level of the online services index (Figure 1).

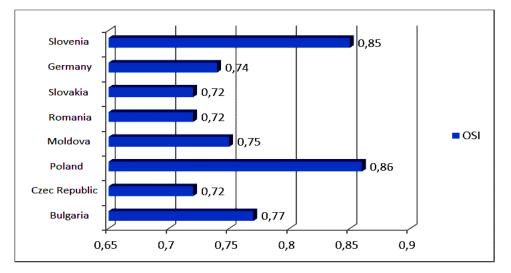


Figure 1 – Index of online services in CEE countries in 2020

Source: Summarized and calculated by the authors according to the United Nations https://publicadministration.un.org/en/Research/UN-e-Government-Surveys

According to Figure 1, it is appropriate to conclude that the countries of the studied region are characterized by a high and very high level of digitalization in the provision of services, which inevitably indicates the success of ongoing reforms in the field of public authorities.

In addition, in order to study the development of public administration in CEE countries, it is advisable to assess their administrative capacity at the national level. To this end, it is advisable to use indicators that represent the progress of public administration, in particular: indicator of political stability and absence of terrorism (Political Stability and Absence of Violence / Terrorism); Government Effectiveness; Quality of legislative activity of the government (Regulatory Quality); Rule of Law; - Control of Corruption indicator.

The dynamics of the indicator of political stability and the absence of crime (terrorism) is shown in Figure 2.

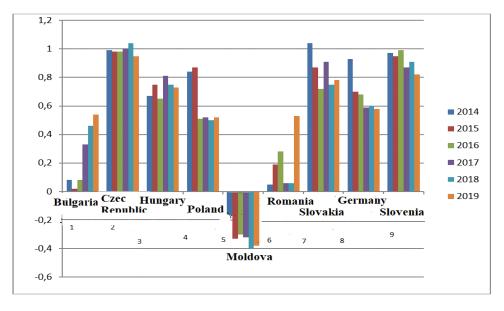


Figure 2 – Indicator of political stability and lack of terrorism in CEE countries in 2014-2019 (1 – Bulgaria, 2 – Czec Republic, 3 – Hungary, 4 – Poland, 5 – Moldova, 6 – Romania, 7 – Slovakia, 8 – Germany, 9 – Slovenia) Source: Systematized and constructed by the authors according to the World Bank www.govindicators.org

According to Figure 2, it can be noted that the majority of the studied countries (during 2014-2019) show significant progress towards political stability and the absence of crime and terrorism, which indicates the effectiveness of the ongoing reforms in the field of public administration. The only exception is Moldova, whose values, although within the relevant limits, are negative.

While analyzing the efficiency of the government from the data on Figure 3, it should be noted that negative relevant indicators characterize the activities of Moldova and Romania in this direction, while other countries are progressing in this area.

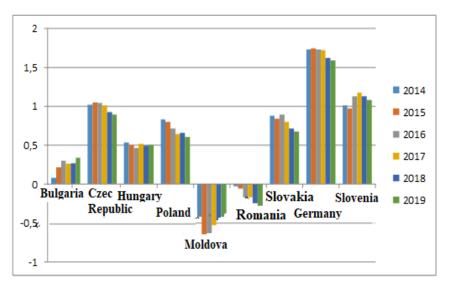


Figure 3 - Government performance indicator in CEE countries in 2014 - 2019

(1 – Bulgaria, 2 – Czec Republic, 3 – Hungary, 4 – Poland, 5 – Moldova, 6 – Romania, 7 – Slovakia, 8 – Germany, 9 – Slovenia) Source: Systematized and constructed by the authors according to the World Bank www.govindicators.org

Characterizing the quality of legislative activity of the government (Figure 4), it is worth noting that during 2014 - 2019 in all countries

there is a significant increase in this indicator, which is relevant. However, in Moldova this indicator is egative.

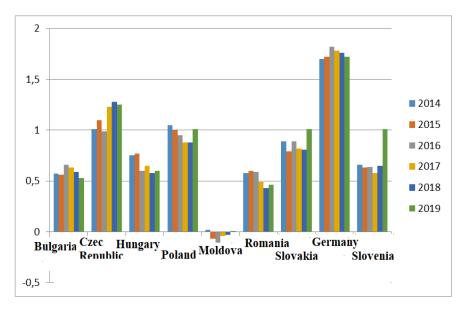


Figure 4 – Quality of government legislative activity in CEE countries in 2014–2019 (1 – Bulgaria, 2 – Czec Republic, 3 – Hungary, 4 – Poland, 5 – Moldova, 6 – Romania, 7 – Slovakia, 8 – Germany, 9 – Slovenia) Source: Systematized and constructed by the authors according to the World Bank www.govindicators.org

In Figure 5 is shown the dynamics of the rule of law in the dynamics of 2014–2019. Based on these results, it should be noted that in Bulgaria and Moldova the analyzed indicator has a

negative but normative value, which indicates the need to accumulate efforts to reform the judiciary in these countries.

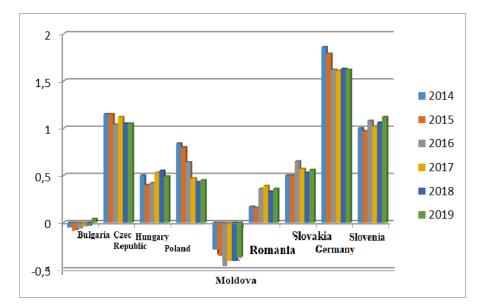


Figure 5 – Rule of law in CEE countries in 2014–2019

(1 – Bulgaria, 2 – Czec Republic, 3 – Hungary, 4 – Poland, 5 – Moldova, 6 – Romania, 7 – Slovakia, 8 – Germany, 9 – Slovenia) Source: Systematized and constructed by the authors according to the World Bank www.govindicators.org

According to Figure 6, it can be concluded that the most effective reform of public administration in the direction of controlling corruption was carried out in Germany, while in Bulgaria, Moldova and Romania, although there are positive developments, this indicator during 2014–2019 is negative.

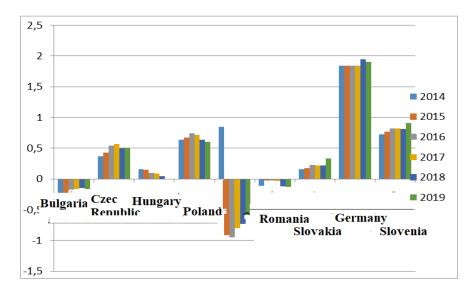


Figure 6 – Control of corruption in CEE countries in 2014–2019. (1 – Bulgaria, 2 – Czec Republic, 3 – Hungary, 4 – Poland, 5 – Moldova, 6 – Romania, 7 – Slovakia, 8 – Germany, 9 – Slovenia) Source: Systematized and constructed by the authors according to the World Bank www.govindicators.org

At the same time, it should be noted that the effectiveness of reforming these areas primarily depends on the initial positions and economic opportunities of each country. Thus, the analysis indicates that the countries of the post-Soviet space, for the most part, are characterized by lower efficiency of ongoing reforms compared to other countries studied and obviously require more financial and time costs.

We will use regression analysis to see the impact on government efficiency of such indicators as political stability, quality of government regulatory activity, rule of law and corruption control.

The calculations are based on the example of Poland, which demonstrates some of the highest results of public administration reform in the CEE countries. The initial data for regression analysis is given in Table.2, Table.2a, Table.2b, Table.2c.

Poland	Government efficiency (y)	Political stability (x1)	Quality of government regulatory activity (x2)	Rule of law (x3)	Corruption control (x4)
2014	0.83	0.84	1.05	0.84	0.64
2015	0.8	0.87	1	0.8	0.67
2016	0.71	0.51	0.95	0.64	0.74
2017	0.64	0.52	0.88	0.47	0.72
2018	0.66	0.5	0.88	0.43	0.64
2019	0.6	0.52	1.01	0.45	0.6

### Table 2 – Initial data for analysis

Table 2a –	The results of	f the regression	analysis are	as follows:

Regression statistics				
Multiple R	0,999117588			
R-square	0,998235954			
Normalized R-square	0,99117977			
Standard error	0,008600717			
Observations	6			

# Table 2b - The results analysis of variance

Analysis of variance	df	SS	MS	F	Significance of F
Regression	4	0,041859361	0.01046484	141,4696642	0,062963775
The rest	1	7,39723E-05	7,39723E-05		
Total	5	0,041933333			

# Table 2c - Statisticks

	Coefficient	Standard error	t-statistick	P-Value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Y-intersection	1,509	0,213	7,094	0,089	-1,194	4,211	-1,194	4,211
Variable X 1	-0,146	0,080	-1,830	0,318	-1,156	0,865	-1,156	0,865
Variable X 2	-0,784	0,136	-5,750	0,110	-2,517	0,949	-2,517	0,949
Variable X 3	0,845	0,102	8,294	0,076	-0,450	2,140	-0,450	2,140
Variable X 4	-0,700	0,166	-4,2165	0,148	-2,810	1,410	-2,810	1,410

Thus, the theoretical equation of linear regression will look like this:

 $y = 1,509-0,146 \times x1-0,784 \times x2 + 00,845 \times x3-0.700 \times x4$  (1)

The obtained results indicate the presence of a close correlation between the selected study factors. The value of the multiple correlation coefficient indicates that the obtained econometric model adequately describes the studied economic dependence. 99% of variations in the change in the performance indicator depend on factorial characteristics and only 1% – on random factors. Regression analysis indicates an inverse relationship between government efficiency and the quality of its regulatory activities, political stability and control over corruption. At the same time, there is a direct link between the efficiency of government and the rule of law. That is, the dominant and fundamental aspect in public administration reform is the improvement of the judicial and regulatory spheres.

# 5 Discussion

The role of public administration in the development of the CEE region is constantly changing. Today, taking into account the national identity, states seek to find new tools for cooperation between public authorities, citizens and civil society. This is realized based on e-government and digitalization of public services.

In fact, in CEE countries, elements of all three models (i.e. traditional, NPM and e-government) coexist in practice, but because reforms in CEE countries have been implemented quite aggressively, ineffectively for specific countries, reform models have been applied without proper adjustment and evaluation. Among the CEE countries, there is no country that would successfully and fully implement the principles of both NPM and e-government.

The current fiscal crisis in Europe affects the countries of the region in different ways; although some countries in the CEE countries have a direct impact on it, others are only slightly affected. Nevertheless, it seems that some form of crisis (whether financial, economic or social) will become part of the reality of public administration in the region for a while; therefore, the implications of the crisis for future research on public administration in the region need to be discussed. Moreover, the path of reform does not resemble the NPM model, but rather the so-called Neo-Weberian approach. The Neo-Weberian state is becoming a requirement for private enterprises to compete for service quality, and in which civil society organizations are fully involved in shaping public policy, from decision-making to service delivery, strengthening the civil sector and its organizations.

### **6** Conclusion

Public administration always reflects social change and thus evolves. As CEE (still) faces problems (after) the transition, the development of public administration will remain a subject for a long time. The EU, as a part of the broader effort to encourage its citizens and businesses to digital, including the CEE countries, calls for the ambitious goals of the development of the information society set out in the EU accession process.

The e-government agenda is more or less adhered to worldwide, but it is gaining importance in CEE. The region is just beginning to emerge from a period of far-reaching political and economic transformation after the collapse of repressive communist systems. For these countries, e-government is not just a new tool of public administration, but a necessary condition for further development. The study concludes that CEE countries are becoming increasingly capable of implementing such changes. Governments of CEE countries, in order to promote the effectiveness of their public administration, should ensure the quality and dynamics of development in the field of law, in particular its rule and rule-making activities.

Today, in the CEE countries, a new model of interaction between public authorities, citizens and civil society is actually being developed – various mechanisms for providing services are being implemented. Therefore, the organic introduction of market methods and principles in public administration determines new areas of research.

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