

Good Governance European Standards

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„Good governance creates the basis for implementing policies”¹
Madam Tarja Halonen, President of Finland

Abstract: *Adopting the standards of good governance comes forward to the intense necessity for an institutional reconstruction in Romania, in order to realise the change for the better of the mechanism of the state, in general and of public services, in particular. The introduction of the standards for a good governance means change, in fact the evolution of the mentality at the level of public management by taking into account and rooting the approaches which are specific to the democratic state, concerned about respecting its tax-paying citizens, who finance and are at the same time the beneficiaries of the public services and also implies the vision to which the "public services are supposed to be for the benefit of the citizens".*

We find the premise of good governance standard in the human rights principles and in the European Convention on Human Rights which remains in force in most of the member states of the European Union and also in Romania and is considered to be fundamental in this context. The Convention and its system of implementation reached a common point concerning the fundamental human rights but also to a level of approximation of the administrative law and of the contiguous systems in the subscribing countries even if ECHR is not per se a document which contains administrative stipulations. According to ECHR, public administration must function in accordance with the rule of law and the principles which establish the legal security and proportionality, the protection of the legitimate expectations, the defence of the human rights, non-discrimination and the right to an appeal against the administrative decisions in order to insure a rightful treatment for all the constitutional responsibilities of the public administration².

Keywords: *“good governance”, public administration, ECHR*

¹ *Euractiv, april, 2006.*

² NISPAcee, *The Network of Institutes and Schools of Public Administration in Central and Eastern Europe, Delivering Public Services in CEE Countries: Trends and Development*, Edited by Jane Finlay and Mark Debicki, Cracow, Poland, April 2002, p. 47.

I. The necessity to take into consideration the principles "of good governance"

Good governance is foreseen in the Charter of Fundamental Rights of the European Union, adopted in Nice in the year 2000 and embedded in the second part of the Treaty establishing a Constitution for Europe, Art. II-101: "Every person has the right to have his or her affairs handled impartially, fairly and within a reasonable time by the institutions, bodies, offices and agencies of the Union". In conformity with Art. III-398, al.1 from the Constitutional Treaty, the principles of the European governance are openness, transparency and independence.

The opposite of *good governance* is *bad administration* or the defective administration which occurs when "a public institution fails to act according to a rule or principle which is compulsory for it"³.

Implementing the *good governance* standard is essential for the good practices of the management of public services, without necessarily requesting legislative modifications. Its approach is directly related to the cultural background of the Romanian society, which needs to suffer significant mutations in order to instinctually release the practices which reflect the *good governance* standard.

The presentation of the "good governance" standard, the means of accommodation to the Romanian public services and the expected impact

The study "Good Governance standard for Public Services" from 2004 of the Independent Commission on *Good Governance* in Public Services⁴ comprises six core principles of *good governance*, each with its supporting principles:

1. Engaging stakeholders and making accountability real.
2. Performing effectively in clearly defined functions and roles.
3. Promoting values for the whole organisation and demonstrating good governance through behaviour.
4. Developing the capacity and the capability of the governing body to be effective.
5. Taking informed, transparent decisions and managing risk.
6. Focusing on the organisations's purpose and on outcomes for citizens and service users.

³ The European Ombudsman

⁴ The Independent Commission for Good Governance in Public Services was established and supported by the Office for Public Management Ltd and the Chartered Institute of Public Finance and Accountancy (CIPFA), both of the institutions are located in London and worked throughout 2004. The present work produced the Good Governance Standard for Public Services, based on the views drawn by this Commission.

II.1 Good governance means focusing on the organisation's purpose and on outcomes for citizens and service users

The function of governance is to insure that local public organisations fulfill their overall purpose, achieve their intended outcomes for citizens and service users, and operate in an effective, efficient and ethical manner.

The concept of public value at the public management level in the local public administration includes: outcomes (such as improved health and improved safety); services (such as primary care services and policing); and trust in public governance.

A. The coordinates of this principle are explained as:

1. *Being clear about the organisation's purpose and its intended outcomes for citizens and service users*

The conditions of this coordinate are proven by:

- a. having a clear organisational purpose, a clear mission and a clear vision of the organisation;
- b. establishing a clear set of objectives;
- c. the effective communication of the purpose, both to the executive public clerks and to the citizens;
- d. a common view of the organisation's purposes and its intended outcomes;
- e. the clear statement of the purposes should be used as a basis for its planning.

2. *Making sure that users receive a high quality service*

3. *Making sure that tax-payers receive value for money*-all authorities and institutions that spend public money for providing services have a duty to strive for economy, efficiency and effectiveness in their work.

B. Ways of adjusting:

1. The mission and the vision do not resume to a citation of a fragment of the law in which a territorial public institution works, the vision must reveal the objectives that should be accomplished by the organisation in offering good quality public service. The declaration of view represents the wishfull thinking concerning the quality and the satisfaction that the citizen perceives. The mission includes the institution's commitment towards the citizen concerning the accomplishment of the challenge.

Adopting these principles signifies a consensus from both the parties involved in providing public services – the organisation and the citizen – the manifestation of will concerning the offer of good quality services. The citizen finds that he should be rewarded with value and quality in the official declaration of the public services supplier in exchange for the taxes he pays to the budget.

According to the strategic management criteria, the medium and long-term strategic objectives derive from the mission and the view shared by the organisation. After the objectives come the short-term operational objectives and also the action plans related to their implementation. This stage is followed by the delegation of attributions, the allocation of human resources in a coherent and responsible manner. A crucial stage is establishing the performance indicators to measure the efficiency and the effectiveness of accomplishing the objectives and their evaluation should materialise into a new plan of measures with objectives highly defined by Key Results Areas.

2. The targeted objectives through the mission and the organisational view are given by two coordinates:

- *a quantity coordinate*: the normative act which fundamentals the object of activity and the material limits of the work of the public authority which provides public services directly or indirectly;

- *a quality coordinate*: the manifested option of the citizens regarding the optimum quality standard of services which need to comply with the needs that they satisfy.

The first coordinate may only be limited by the will of the legislative institution which stated it in the first place; meanwhile the second is continuously floating under the variations of the public opinions, which are expressed by the social needs in evolution. Public authority should take into consideration the opinions of the citizens regarding the manner in which public services are provided and basically they need to permanently measure by the received feedback, the achieved performances regarding the quality offered. The latter should also be the source of new measures or a plan of improving the existing services.

An instrument which could state the level of quality and the necessary means used for reaching the targeted levels may be the elaboration of a "Charter of Services", which needs publishing on the website of the institution but should also be available on a printed format for being distributed to the beneficiaries.

The receivers destined to collect feedback from the citizens may be: the forum on the institution's website, the electronic mailbox, the surveys, the written and the verbal petitions, the media etc.

It is highly important that a person has the responsibility of collecting and gathering information for reporting to the departments for elaborating policies in the field of public services.

3. A means of stimulating the control of public money expenditure in a more efficient way may constitute the elaboration of some comparative studies on efficiency, effectiveness and the quality of the services offered by similar organizations. Moreover, using the same purpose we may encourage the competitiveness between public services, for which we can demonstrate an original example in Finland, country who organised the contest "Award for Finnish Quality" for both the public and the private services.

The effectiveness of public services is also feasible through the introduction of the concept of quality management and the quality standards SR EN ISO 8402⁵.

C. The impact of introducing this principle on the local public services

The implementation of the principle regarding the awareness, the internal communication and the public statute of the purpose and the objectives of the organisation represents an efficient incentive in increasing the quality of the offered public services and the increase of performance regarding the efficiency and effectiveness of spending public money, all this implying visible result in:

- reaching a competitive level in providing local public services – the communes, the municipalities and the regions are in a continuous competition for offering quality public services;
- this fact proves the presence of welfare and consequently, a stable economic environment which attracts investors and indirectly increases the level of local budget contributions;
- increasing the citizens' trust in local public authorities;
- introducing the concepts of performance based management and results based management;
- increasing the level of citizen implication in the local governance process due to the bidirectional communication mechanisms.

II.2 Good governance means performing effectively in clearly defined functions and roles

Taking into account these general considerations, performing the roles and functions of all stakeholders requires taking into account the following aspects:

A. Being clear about the three primary functions of the governing body:

1. Being clear about the management public functions

Members of governing bodies are elected or appointed to direct and control public service organisations in the public interest.

The primary functions of the governing body are to:

- ⇒ establish the organisation's strategic direction and aims, in conjunction with the executive;
- ⇒ insure accountability to the public for the organisation's performance;
- ⇒ assure that the organisation is managed with probity and integrity.

In order to direct strategy and insure that this is implemented and that the organisation achieves its goals, the governing body has to allocate resources and monitor organisational and executive performance, delegate to management, oversee the appointment and contractual arrangements for senior executives, make sure that effective management arrangements are in place and understand and manage risk.

⁵ Androniceanu, Armenia, Noutăți în managementul public, Editura Universitară, București, 2005, p. 363

2. Being clear about the responsibilities of superior public managers and the executives and making sure that those responsibilities are carried out

The clear define between the two levels is essential because:

- ✓ it contributes to strategy: superior public managers bring a range of perspectives to strategy development and decision making;
- ✓ they need to make sure that effective management arrangements and an effective team are in place at the top level of the organization;
- ✓ they delegate: non-executives help to clarify which decisions are reserved for the governing body, and then clearly delegate the rest;
- ✓ hold the executive to account: the governing body delegates responsibilities to the executive. Non-executives have a vital role in holding the executive to account for its performance in fulfilling those responsibilities, including through purposeful challenge and scrutiny;
- ✓ be extremely discriminating about getting involved in matters of operational detail for which responsibility is delegated to the executive.

3. Being clear about relationships between governors and the public

All public managers have a collective and individual accountability to the public. Governors and governing bodies need to be clear about the nature of their relationship with the public. The governing body's role is to direct and control the organisation in the public interest and to insure accountability to the public and should develop a dialogue that connects the organisation properly with the public they serve.

B. Means of adjustment

1. The leaders of the organisations which provide public services and utilities should apply their pro-active spirit of stimulation and motivation of their subordinates, by:

- ⇒ constructive challenge and monitoring the executive in implementing the agenda of the organisation;
- ⇒ the assurance that the public voice is heard in making decisions – the verification of the communication mechanisms;
- ⇒ strategic partnerships with other organisations – at a national level but also in the international world, in order to insure the transfer of know-how and the transfer of the best practices.

The concrete means of clarifying the roles and functions of public managers is represented by the "Charter on public services" we mentioned about earlier in the paper, in which besides the quality standards of the provided services, it shows the public managers who are responsible of their accomplishment.

The human resources management represents an essential landmark in obtaining the standard of *good governance* by engaging the commitment of the executive clerks, the acknowledgement of performances and efforts undertaken with the purpose of targeting the objectives of the organisation.

2. The roles of the president and the chief executive must be separated and should offer a control and a balance for each other's authority. The president and the chief executive should negotiate the roles in the beginning of their collaboration and should clearly explain these roles to the public and to the organisation.

3. The relationship between the leader and the public can be consolidated and can be used as a means for improving the quality of the services provided by the institution. The answers of the institution on behalf of the leader regarding the complaints and the observations of the involved public draw its attention and makes it more devoted to the organisation (there is competitiveness between the public services and the private services).

Publishing job descriptions for the chair, deputy chair and chief executive can help others to know what to expect. The publication of the description of the president's function. The leader of the institution should act independently and should represent the interest of the whole community, despite all private interests.

C. Implications on the effectiveness of local public services and utilities

One of the stages of the decentralisation is becoming more relevant concerning the operative levels and the level which are closer to the citizen. It implies the application of the subsidiarity process in order to maximize the effects of the public actions, the increase in the efficiency, the accommodation to the local traditions and the increase in the level of satisfaction for the citizen-beneficiary.

The approach has effects on the transparency of the decision mechanisms – they make public both the election and the appointment mechanisms, but also the attributions of the leaders compared to other management or execution functions.

The roles of chair and chief executive should be separate and provide a check and balance for each other's authority, which maximizes the effectiveness of the decisions taken but also the potential of each of them concerning clearly defined fields of action.

If the relationship between the leader and the public is open and the communication works on both ways, the credibility of the institution is rising and there is also an increase in the actions, the plans and the strategies of the organisation.

II.3 Good governance means promoting values for the whole organisation and demonstrating the values of good governance through behaviour

This spirit or ethos of good governance can be expressed as values and demonstrated in behaviour. Good governance builds on the seven principles for the conduct of people in public life that were established by the Committee on Standards in Public Life. Known as the *Nolan principles*, these are: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The leader of an institution should promote the values of an ethical behaviour both in relation to the public and also in relation to the staff, being an example to the staff and inspiring respect for the values of an important human quality.

He should also prove the importance of the public interest against the personal interest, openness and transparency in using resources. These things can be proven by publishing and debating the budget and also by finishing the projects which need to be finalised. Moreover, he should maintain good relations with the stakeholders, the public and the organisation members.

The behaviour of a leader is the symbol of an organisation and of those who work there. The leader is a role model for the subordinates concerning the way in which he deals with the situations, the problems and the citizens.

II.4 Good governance means taking informed, transparent decisions and managing risk

A. Components

1. *Being rigorous and transparent about how decisions are taken*

The public management decisions need to be well fundamental by taking into consideration all factors and resources involved. Transparency is a must in accomplishing the utility of the public money in the purpose and interest of the public.

2. *Having and using good quality information, advice and support*

Good quality information and clear, objective advice can significantly reduce the risk of taking decisions that fail to achieve their objectives or have serious unintended consequences.

3. *Making sure that an effective risk management system is in operation*

Risk management is a planned and systematic approach to identifying, evaluating and responding to risks and providing assurance that responses are effective. A risk management system should consider the full range of the organisation's activities and responsibilities, and continuously check that various good management disciplines are in place, including:

- strategies and policies are put into practice in all relevant parts of the organization;
- strategies and policies are well designed and regularly reviewed;
- high quality services are delivered efficiently and effectively;
- performance is regularly and rigorously monitored and effective measures are put in place to tackle poor performance;
- laws and regulations are complied with;
- information used by the organisation is relevant, accurate, up-to-date, timely and reliable;
- financial statements and other information published by the organization are accurate and reliable;

- financial resources are managed efficiently and effectively and are safeguarded;
- human and other resources are appropriately managed and safeguarded.

B. Ways of adjustment

1. The decisional transparency can be insured by:
 - ⇒ official statement of the decision competences;
 - ⇒ the clear specification of the objectives and the decisions taken by the leaders;
 - ⇒ explaining the criteria, the judgement and the considerations which the decisions are based on and also their impact and consequences.
2. Fundamenting the management and the administrative decisions.
3. Identifying key strategic, operational and financial risks and assessing the possible effects that the identified risks could have on the organisation, agreeing on and implementing appropriate responses to the identified risks.

C. Implications on the effectiveness of the local public services and utilities

The advantages on the decisional transparency are:

- the clear public decisions are easier to understand by the public and also by the ones who implement them;
- the impact of the transparent decisions is easier to evaluate;
- the delegation level concerning decision making is more clearly defined by delegation;
- the working parameters for the executive are established.

II.5 Good governance means developing the capacity and capability of the governing body to be effective

A. Components:

1. *Making sure that appointed and elected governors have the skills, knowledge and experience they need to perform well*

Governance roles and responsibilities are challenging and demanding, and governors need the right skills for their roles. In addition, governance is strengthened by the participation of people with many different types of knowledge and experience. It will also help to increase the diversity of governors in terms of age, ethnic background, social class and life experiences, gender and disability.

2. *Developing the capability of human resources with governance responsibilities and evaluating their performance, as individuals and as a group*

The necessary skills include the ability to scrutinise and challenge information received from the executive, including skills in financial management and the ability to recognise when outside expert advice is needed.

3. *Striking a balance, in the membership of the governing body, between continuity and renewal*

B. Ways of adjusting

1. Encouraging a wide range of people to apply for appointed positions or to stand for election will develop a membership that has a greater range of experience and knowledge. By sharing specific responsibilities among its members on a rota basis, the governing body can insure that important knowledge is not vested in one or a few individuals.

2. Establishing an appointing committee which should guarantee that the selection and appointing process could lead to the identification and the attraction of the necessary human resources.

3. The induction for the new appointee could include an introduction to the local environment and the sector, the organisation's relationships with other bodies and the context for the organisation's strategy.

A skills audit of the members of a governing body is a useful way of identifying their strengths and any skills gaps.

C. Implications on the effectiveness of local public services and utilities

The diversity of human resources maintains the innovative and competitive spirit that a public organisation should follow.

It is necessary for a review of the evaluation and performance of public managers to be undertaken in the new context.

II.6 Good governance means engaging stakeholders and making accountability real

A. The conditions of this principle are the following:

1. Understanding formal and informal accountability relationships

The principle refers to the consolidation of the relationship with the citizens and to the consolidation of the relationship between local organisations directly elected by the citizens and the central government, who can make the local ones accountable for their actions.

2. Taking an active and planned approach to dialogue with and accountability to the public

For elected governors, the manifesto and the ballot box are the foundation of the accountability relationship; but good governance also requires an ongoing dialogue between them and their electorate. Appointed governing bodies also have to develop an accountability relationship through dialogue.

The fuel of this dialogue is interest and confidence. If dialogue is to develop and continue, organisations need to encourage and maintain the interest and confidence of the public and service users.

Confidence and interest can both be damaged easily, especially when things go wrong. The organisation's ability to respond to such circumstances is also an important demonstration of its accountability.

3. Taking an active and planned approach to responsibility to the staff

Recruiting, motivating and keeping staff are vital issues if public services are to be effective. The governing body needs to provide an environment in which staff can perform well and deliver effective services, by creating a culture that welcomes ideas and suggestions, responds to staff views and explains decisions.

4. *Engaging effectively with institutional stakeholders*

Public services have a complex network of governance relationships involving lateral relationships between partners and hierarchical relationships.

B. *Ways of adjusting*

Establishing the responsibilities and the extent to which every relationship serves for the purpose of the organisation, including if some relationships should be strengthened.

Even if no stated regulation exists, the lobby activity between institutions is an important component in the EU member states, especially in the local-central relationship. Moreover, it is highly necessary for a legislative regulation to be adopted, which should establish a legal framework for this practice, in order to make the decisional process more transparent and to significantly reduce the corruption at that level.

C. *Implications on the effectiveness of local public services and utilities*

The clarifying and the consolidation of the relationship between the public and the institution who offers local public services, on one side, and the relationship between the local institution and the central governing body, on the other side, would attract benefits in the following aspects:

- decision process transparency;
- accountability in the administrative act;
- improving quality service;
- continuous development and motivation for maximum results.

Consolidating the dialogue between the institution and the public over clearly defined areas by the need of development of the public services insures a multiple feed-back as a view and a stage of providing the public service. The implementation or the response for this feed-back proves the consideration for the public's opinion, the increase of its trust in the public institutions and assures a continuous flowing mechanism of the solutions and improvement proposals.

Few public service organisations can obtain the wanted results by only using their own efforts. The relationships to other organisations are highly important, especially if they provide similar services or work for the same users or communities.

The development of official and unofficial partnerships means that organisations could use the resources more effectively or they can offer their services in a different and more profitable way in order to assure customer satisfaction.

III. Conclusions

As presented in this paperwork, The Good Governance Standard applied at the local level, gathers as principles the highest wills that should be accomplished by the management of public services and utilities at the local level, but also at a central level, in order to obtain citizen satisfaction regarding the quality of the provided services.

Indicators of the existence of these principles can already be viewed in case of some local institutions but the objective of promoting the *good governance* standard is that those authorities should check or complete the public services management in order to reach a uniform level of practices, in order to optimise the quality of the local public services.

The existence of this standard does not appear from an external organism or a foreign one, but it is an application of the stipulated principles – it was born out of some legitimate questions which every institution or public clerk could arise: How clear are we about what we are trying to achieve as an organisation? To what extent does the information that we have about the quality of service for users help us to make rigorous decisions about improving quality? Do we all know what we are supposed to be doing? How well does the organisation understand the views of the public and service users? What are the values that we expect the staff to demonstrate in their behaviour and actions? Are there any ways in which our behaviour might weaken the organisation's aims and values? What is our approach to finding a balance between continuity of knowledge and renewal of thinking in the governing body? etc.

As an evolution, the accomplishment of the good governance standards are a stage in the development of public services based on quality and not a "final frontier", but a necessary minimum to whose improvement every institution should share the added value.

Moreover, we have the example of states such as Great Britain, which already passed to another stage. Thus, even if many public managers in this country drew a limit by measuring the improvement of services and organisational performance – for example, the "UK Best Value" or the CPA process (Comprehensive Performance Assessment⁶) – there are some local public institutions in the UK which already oriented towards a greater perspective of the public governance and of its performance through a bigger attention on the possibility of measuring the quality of the improvements made by the public services – for example, social added value, political added value, environment added value or user added value⁷.

The examples of good practices in a continuous evolution regarding the thoroughness of the local public services quality improvement mechanisms are

⁶ Multilateral Performance Evaluation

⁷ Bovaird, Tony, Evaluating the Quality of Local Governance: Some Lessons from European Experience, „Local Governance”, no.4/2004, vol. 30, The University of Birmingham, Institute of Local Governance Studies, pp. 178 -187.

more and more present and continue to give results in the citizen satisfaction level but also in promoting local and regional development. The management of public services and utilities in Romania could and should adopt these examples, but not by copying them *mutandis*, or creating "shapes without background" – true inefficient examples – they must adapt the measures to the Romanian background and Romanian cultural tradition, in order to add value to the existent potential and to promote the administrative added value of the Romanian administrative system in the European policies and structures.

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