



Faculty of Economics, University of Niš
18 October 2018

49th International Scientific Conference
**QUANTITATIVE AND QUALITATIVE
ANALYSIS IN ECONOMICS**

GOVERNANCE OF PUBLIC POLICIES IN THE CONTEXT OF DECENTRALIZATION

Georgi Biserov Nikolov, PhD*

Nikola Todorov Tanakov, PhD*

Vasil Nikolaev Bakardzhiev, PhD*

***Abstract:** In the current stage of regional economic development, the top role and importance of national states is an increasingly important issue of a workable concept of public policy delivery. It is gaining an increasing popularity worldwide. Increased information security, intelligent smart specialization and investment in building analytical and research capabilities provide a wide scope for qualitative and quantitative assessment and control to the extent to which public policies achieve their objectives and lead to the desired results. Accordingly, at what price this is achieved. One of the main functions of decentralization is to help implement and strengthen the impact of public policies. For this reason, public policies are an intensive and dynamic process of managing programs and projects, which systematically draw periodic reports on findings, performance evaluations, conclusions and recommendations on the progress made and the benefits to be expected from implementation.*

***Keywords:** public policies, decentralization, governance*

1. Introduction

This paper provides a wide scope for qualitative and quantitative assessment and a control to the extent that public policies achieve their objectives and lead to the desired results. Accordingly, at what price this is achieved. One of the main functions of decentralization is to help implement and strengthen the impact of public policies.

* UNWE, Sofia, Bulgaria; ✉ gbnik@abv.bg
* UNWE, Sofia, Bulgaria; ✉ nikolatanakov@gmail.com
* UNWE, Sofia, Bulgaria; ✉ vaskob92@abv.bg
UDC 320.441

2. Main text

In this report, the authors have set themselves the goal of examining only the practices that have a wider scope of public policies, universally applicable to most administrations, and responsible for the development, implementation and reporting of horizontal policies. The survey excludes fragmented systems and practices for assessing specific policies in a particular area, or ones that have been developed and applied by a separate administration. As a result, most of the member states of the European Union have a systematic approach to assessing public policies. It is based on performance, measurement, and management principles. The advantage of this policy assessment approach is that it allows the systematic collection, analysis, review and reporting of performance data. It also monitors changes, identifies potential problems, and makes a timely corrective action.

Mainly, in managing this process, there is a complex system that allows analysis of each of the stages of planning. The implementation of the respective policy creates a prerequisite for improvement of the overall process of implementation, monitoring and evaluation of the policies. It implies the presence of:

- system and processes for data collection and analysis of performance;
- an integrated system of performance evaluation criteria (indicators);
- performance reporting system;
- a mechanism for using information and analyses;
- performance reporting.

The creation of such a coherent framework for motivated planning and management is based on learning and accountability in the decentralized environment. This is related to the creation of a set of requirements, processes and actors, allowing the collection and transformation of data into rational and objective information. This framework also requires some formalization (institutionalization) in the use of operational information in documents, methodologies, processes, cooperation mechanisms. Also, decision-making systems and mechanisms for correction and improvement of activity.

The implementation of public policies and programs includes evaluation and monitoring. Evaluation is an objective assessment of public policies and programs based on the results achieved and impact on the needs they are targeting. The assessment usually affects the satisfaction of important public needs as a result of the interventions envisaged, and the results and impacts produced by them. It is implemented in accordance with the previously developed objective, clear and measurable criteria, indicators and standards regarding their adequacy, efficiency, effectiveness, sustainability, fairness, etc. The assessment, as a rule, is based on specially collected and analyzed information.

Monitoring is a process of systematic and continuous surveillance, collecting and analyzing information on the course of policy implementation and progress towards the objectives. The monitoring results are intended to support the management process in terms of control and decision-making about actions related to the implementation, updating or termination of a policy and program. Monitoring is a systematic collecting and analyzing information about the process. It is a routine collection and analysis of information to track policy progress and verify compliance with the established standards. The monitoring process helps to identify changes in trends and factors, to adapt policies, to ensure that the objectives are met. The monitoring actually records the progress and takes into account the quality of the

Governance of Public Policies in the Context of Decentralization

process, compares the planned with the achieved without putting pressure on the environment. It is on this characteristic - lack of pressure and impact - that monitoring is different from control.

Motivated management of public policies in the context of decentralization can only achieve its purpose by applying its principles. A modern understanding of motivated governance is aimed at creating and implementing effective public policies in every area of life. That means just balancing a market, politics and a civil sector without any bias in any triangle. Motivated management is based on high administrative capacity. Partly, it is a responsible, and efficient public administration. Without it, nothing in one country can operate, regardless of the international commitments or domestic ambitions.

Modern management is directly linked to the structures of civil society. It is also not just a question of moral rule, as it has been thought of in antiquity and the Middle Ages, nor is it merely a guarantee of human rights, as many people believe, nor does it end up with the elements of democracy as ideologized by modern rationalism. Motivated governance cannot only be normative. It should be sought above all in the context of a vital link with civil society structures, since it is nothing more than an effective and efficient solution to social problems.

The authors of the report will examine good practices of mechanisms for evaluating the public policies of some member states of the European Union.

a) Facility for evaluating public policies in France

France has a long history of implementing a systematic approach to assessing policies. In 2007, the country launched a widely applied General Public Policy Review, which encompasses all administrations and includes a review and evaluation of horizontal policies. In 2012, a special institution was set up - the General Secretariat for Modernization of the Government, which is responsible for coordinating all policy assessments, as well as providing methodological support and quality control.

Individual evaluations are conducted by a leading ministry, which has a key role in implementing policy in the relevant area of assessment. This lead ministry is determined by the Prime Minister and its role is to set up and chair the evaluation committee, including representatives of other ministries, territorial units, social partners, associations, etc.). This committee is responsible for the preparation of guidelines, the designation of an evaluation coordinator and the team responsible for conducting the evaluation. A pluralist approach is in the formation of assessment teams – they not only consist of internal experts, but also of external ones with the experience on a certain subject - researchers, beneficiaries whose contributions are collected, evaluated and taken into account in the evaluations.

Public policy assessments are based on:

- Extensive studies of available literature and of the work already done;
- Analyses of available data (statistical, econometric, etc.)
- Field studies (interviews, field visits, etc.) and consultations (questionnaires, surveys, focus groups, etc.)
- Applying a set of standardized evaluation criteria: effectiveness, efficiency, consistency, usefulness and relevance.

The Public Policies Assessment System in France provides a toolbox to support the political decision-making process. The evaluation process has three phases:

- 1) definition of context, evaluation topics, questions, etc.
- 2) research and analysis on the issues raised;
- 3) preparing scenarios for change.

After taking into account the main issues identified during the analysis phase, the evaluation aims to propose change / reform scenarios in order to improve the assessed aspect of government policy. Various policy options or scenarios for future reform are being developed and proposed for each evaluation. The General Secretariat for Modernization of the Government (SGMAP) manages and coordinates all evaluations - consults the methodology for each evaluation, provides advice and methodological support. In addition to methodological support, it can offer technical assistance. SGMAP may, if necessary, provide support after completing the assessment - for the implementation of a formal action plan and change management. On the basis of the analysis carried out in the previous stages, the results are summarized in Table 1.

Table 1: Facility for evaluating public policies in France

Criterion	Characteristics of Good Practice (France)
Systematic approach	<p>A standardized public policy assessment system with a clearly defined scope and framework based on comprehensive studies, data analysis, field studies, consultations, etc. is used. The process of evaluating public policies in France involves collecting data through cabinet surveys and using available databases, as well as field surveys through questionnaires, surveys, focus groups, etc. SGMAP provides support for open data and its use. A platform for open data cooperation (data.gouv.fr) has been developed. Various methods of data analysis (statistical, econometric, etc.) are used. Multicriteria analysis applies - Standardized assessment criteria (effectiveness, efficiency, consistency, usefulness and relevance) are used. Change / reform scenarios are being developed to improve policy assessment, provide information on these scenarios, develop an action plan and manage change.</p> <p>Provides toolkits to support policymaking. It allows measuring performance, identifying potential problems and taking a corrective action.</p>
Surrounding	The system is applied by all administrations and covers all policies, including horizontal policies. The evaluation process covers a wide range of stakeholders.
Coordination	The framework for coordination in the policy assessment process is defined with a clear definition of the role of the various actors in different stages of the process. A specific working procedure has been developed for contracting authorities, evaluators and stakeholders. The overall coordination of all evaluations is carried out by a special body - the General Secretariat for Modernization of the Government (SGMAP), which provides advice on the evaluation process, methodological support and technical assistance. The coordination of the policy-specific assessment process is carried out by a leading ministry (designated by the Prime Minister), which establishes and chairs an evaluation committee (with broad stakeholder involvement). The evaluation committee is responsible for the preparation of guidelines, the appointment of the evaluation coordinator and the evaluation team. A pluralist approach takes place when forming the assessment teams.
Resistance	<p>The general review of public policies has been in place since 2007.</p> <p>The policy assessment system, as it stands now, applies from 2012 onwards.</p>

Governance of Public Policies in the Context of Decentralization

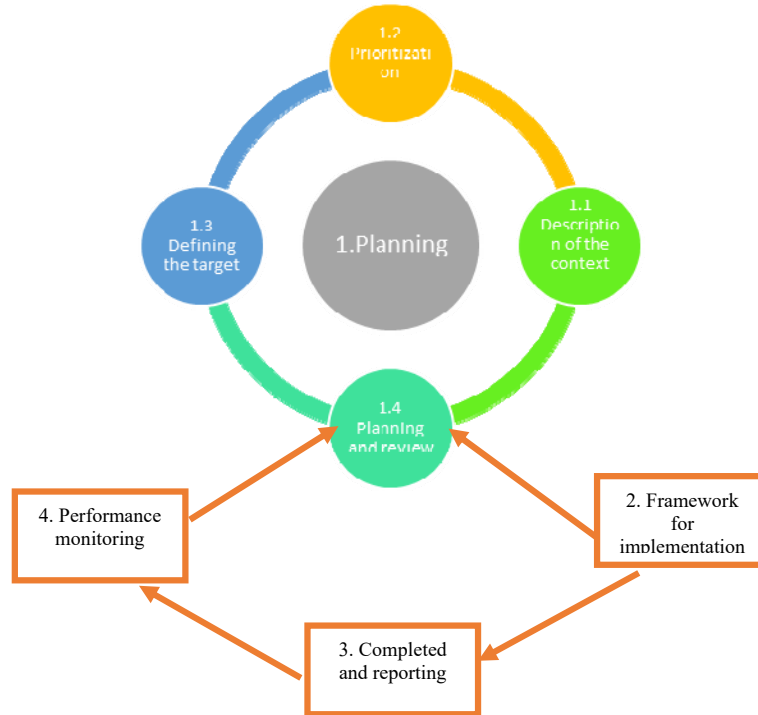
b) Mechanism for evaluating public policies in the Netherlands

In the Netherlands, performance-based management systems are being implemented and developed in the 1990s as part of the new public management movement, the so-called "Initiative for result-oriented management control", the reform of budgeting and policy assessment implemented in 1999, whereby budget decisions are linked to the effectiveness and efficiency of relevant policies. The basic logic of this reform is that policy (needs) must be linked to objectives, budget, policy tools, outcomes and social impacts. The Ministry of Finance is responsible for the overall institutional design of the policy assessment system and has the authority to allocate roles and responsibilities to other ministries and administrative structures involved in policy implementation. Each minister is required to conduct a periodic review and assessment of the effectiveness and efficiency of policies implemented and to inform the independent audit body of the findings of these reviews and assessments. The independent audit body also assesses the effectiveness of the policies pursued - either on its own initiative, or at the request of the government. Periodic assessment of policies, tools to be used and quality criteria are governed by a special act. The current performance appraisal system consists of both preliminary analyses and subsequent analyses. The tools used are also a combination of pre and post analysis. They are common among all these estimates and linked to one degree or another with the budget process. Normally, the leading ministry plays a leading role in the implementation of the assessments, which has a leading role in implementing the policy. The role of the Ministry of Finance, as the coordinator of the overall policy assessment system, is to define the rules for when and how an assessment should be carried out. It chairs inter-ministerial working groups to develop an analysis methodology, monitors the review program, disseminates good practices, initiates topics, and sets out procedural rules for costing.

Table 2: Mechanism for evaluating public policies in the Netherlands

Criterion	Characteristics of Good Practice (Netherlands)
Systematic approach	A systematic public policy assessment approach combining ex-ante and ex-post evaluations of the effectiveness and efficiency of policies under the principles of performance-based management is applied. It seeks a link between goals, budget, policy tools, outcomes and social impact. Periodic assessment of policies, tools to be used and quality criteria are governed by a special act. Performance data is collected and analyzed. Changes are monitored. Potential problems are identified.
Surrounding	The system covers all administrative units implementing policies that are responsible for public interventions and involved in the budget process. An analysis and evaluation of all policies funded by public resources, including horizontal policies, is underway.
Coordination	The overall coordination of policy assessment procedures is carried out by the Ministry of Finance, which is responsible for the institutional design of the policy assessment system, coordinates the processes and has the authority to allocate roles and responsibilities to other ministries and administrative structures involved in policy implementation.
Resistance	It has been in place since 2001 when the Public Finance Act defined the main roles and responsibilities in terms of policy assessments.

Figure 1: Policy review and evaluation cycle in the Netherlands



3. Conclusion

Initiatives related to enriching methodological guidance on strategic planning, introducing good European practices, and pointing to missed benefits from poor strategic planning of regional development will not produce the necessary effect, unless legislative initiatives are introduced to regulations of a sanctioning nature, as well as new control mechanisms to ensure the flow of the full cycle of the planning process. It is important that each strategic document includes a full set of indicators - physical, financial and time indicators, as well as the organization and implementation methods applied by the relevant administrative structures, organizations and legal entities involved in their implementation and information security measures and publicity of the performance results.

The reporting of the values of the indicators and the analysis of the information gathered will allow monitoring of the progress made and assessment of the degree of fulfillment of the objectives, as well as adjustments and optimization of the organization and methods of implementation of the document and of the measures for provision of information and publicity. In order to achieve the objectives of monitoring, a monitoring system should be set up, covering:

- the sources, ways and periodicity of collecting, processing and analyzing information;
- observation indicators;

Governance of Public Policies in the Context of Decentralization

- the monitoring bodies, the organization and the methods of their work;
- the reporting and information and publicity system.

Indicators, which must be a part of the monitoring system for each long-term public policy document in the new programming period, have three main categories: framework indicators for monitoring, including key macroeconomic indicators and Europe 2020 indicators; specific monitoring indicators - defined for each priority; indicators for integrating global environmental targets. The strategy paper should make it clear what the obligations, rights and responsibilities of the authorities performing monitoring and evaluation of 9, 10 implementation and how stakeholders, including civil society structures, will be involved in this process in respect for the principle of partnership, publicity and transparency. Based on the information and data related to the implementation of the indicator system, annual reports are being prepared to monitor the implementation of the documents. Another question is how to ensure the coordination and coherence of the policies of the individual hierarchical levels and to determine when and how such a mechanism will work, because the problem of poor planning, implementation, monitoring and evaluation of public policies will raise the issue of ensuring a balanced development of the territories and overcoming the disparities at both regional and municipal level.

References

- Akhmouch, Aziza (2011 Forthcoming) "Multi-level Governance of Water Policy in OECD Countries", *OECD Regional Development Policy Working Papers* – available at www.oecd.org/gov/regional/workingpapers.
- Allain-Dupré, D.(2011) "Multi-level governance of public investment: lessons from the crisis", *OECD Regional Development Policy Working Papers*, www.oecd.org/gov/regional/workingpapers.
- Blöchliger, Hansjörg , Claire Charbit, José Maria Pinero Campos, Camila Vammalle (2010) "Subcentral Governments and the Economic Crisis: Impact and Policy Responses", *Economic Department Working Papers*, N 752, OECD.
- Blöchliger, Hansjörg and Camila Vammalle (2011, to be published): *Reforming Fiscal Federalism and Local Government. Lessons from OECD Countries*, OECD Publishing, Paris.
- Charbit, Claire and Camila Vammalle (2010), "Modernising government" in *Making Reform Happen: lessons from OECD countries*, OECD Publishing, Paris..
- Charbit, Claire and Varinia Michalun, eds (2009), "Mind the gaps: Managing Mutual Dependence in Relations among Levels of Government", *OECD Working Papers on Public Governance*, No.14, OECD Publishing, © OECD. doi:10.1787/221253707200.
- Conlan, Timothy J. and Posner, Paul L. (eds) (2008) *Intergovernmental Management for the 21st Century*, Brookings Institution Press, U.S.
- Quality Planning. The RMA Planning Resource. <http://www.qualityplanning.org.nz/monitoring/gettingstarted.php#whatis>
- Shapiro, Janet. Monitoring and Evaluation. Johannesburg 2001, p. 3

UPRAVLJANJE JAVNIM POLITIKAMA U KONTEKSTU DECENTRALIZACIJE

Rezime: U trenutnoj fazi regionalnog ekonomskog razvoja, glavna uloga i važnost nacionalnih država je da osmisle izvodljiv koncept pružanja javnih politika. Ovaj izazov postaje sve popularniji širom sveta. Povećana sigurnost informacija, inteligentna specijalizacija i investicije u izgradnju analitičkih i istraživačkih mogućnosti obezbeđuje širok opseg za kvalitativnu i kvantitativnu procenu i kontrolu, u smislu određivanja u kojoj meri javne politike postižu svoje ciljeve i dovode do željenih rezultata. Shodno tome je i cena po kojoj se ovo postiže. Jedna od glavnih funkcija decentralizacije je da pomogne u implementaciji i jačanju uticaja javnih politika. Iz tog razloga, javne politike predstalljaju intenzivan i dinamičan proces upravljanja programima i projektima, koji sistematski prikazuju periodične izveštaje o rezultatima, ocenjivanju učinka, zaključcima i preporukama o ostvarenom napretku i koristi koja se očekuje od implementacije.

Ključne reči: javne politike, decentralizacija, upravljanje