

**TRANSPARENCY IN STATE ADMINISTRATION:  
BASIC PREREQUISITE FOR GOOD GOVERNANCE AND  
COMPETITIVENESS OF THE BULGARIAN ECONOMY  
IN EUROPEAN CONTEXT**

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**Abstract.** *In the context of European integration, transparency in state administration is needed to achieve a modern type of governance. For the program period 2007-2013 of EU the Bulgarian administration is actively involved in the development and implementation a policy of economic and social cohesion and of improving the competitiveness of the national economy. Obviously, the successful implementation of that policy largely depends on good functioning of the state administration, capable to apply the best European practices and policies. The aim of the paper is to analyse the transparency program in the state administration, through which, Bulgaria joins the European transparency initiative of the European Commission aiming at increasing civil participation in the decision-making process. The object of the study are measures worked out for enhancing transparency and integrity in the activity of the state administration and the high-level officials. As a conclusion, an overall assessment of measures and results achieved for ensuring transparency and integrity in the administration is made. Some comments on future actions are also made and trends are outlined to achieve fully transparent state administration in Bulgaria for successful modern governance and competitiveness of the economy.*

**Key Words:** *Transparency, State Administration, Governance, Competition, Bulgarian Economy*

INTRODUCTION

In Bulgaria, reforms for building and establishing democratic society and market economy started in the early 1990s and it was expected that new democratic institutions could develop necessary capacity for implementing reform programs. In fact, when the reform process started *de facto*, the reform program was formulated as building, not reforming, the administrative system and since then not one of the Bulgarian governments

have changed the direction of the reforms. In the course of the transition period a number of programs and projects aimed at improvements in the state administration have been developed. However, public expectations concerning the results of the implementation of such programs and mechanisms are higher than the achieved ones. An integral part of the implementation of the reforms at the present stage are: establishing effective administrative structures, attaining high-quality administrative service delivery focused on citizens and business, application of the principles of good governance, introduction of information technologies in the work of the state administration, as well as improving human resources management in state administration. In addition, enhancing transparency and integrity in the state administration is of prime necessity for any successful governance and for the civil society partnership.

Over the last few years, all activities on the modernization of the state administration have been fully in compliance with the priorities and objectives of the Lisbon strategy and the monitoring findings of the European commission from 2006 indicated the achievement of a significant progress in fulfilling the membership criteria in Bulgaria<sup>1</sup>. However, there are outlined a number of areas of continuing concern, the areas needing immediate action or further efforts such as the justice system, the fight against corruption and financial control. Although Bulgaria "has made further progress to complete its preparation for membership, demonstrating its capacity to apply EU principles and legislation from 1 January, 2007", it is also highlighted that there is a strong need to ensure the sustainability of public administration reform.

#### 1. CHALLENGES FACING THE BULGARIAN ADMINISTRATION FOR THE NEW PROGRAM PERIOD 2007-2013

The membership of Bulgaria into the European Union determines the fundamental goal of the government to attain a modern type of governance with the help of a well functioning Bulgarian administration, capable to apply the best European practices and policies. Obviously, in that context the new challenge for 2007-2013 in front of the whole state administration will be to support the successful development and implementation of projects under the operational programs. There is no doubt that for that purpose it is necessary to build a real capacity in the state administrations. A key role in regard to that process is assigned to the Ministry of State Administration and Administrative reform, which needs to focus priority attention on the Operational program "Administrative Capacity" as the successful absorption of the funds under the program undoubtedly support the establishment of a more modern, effective and transparent administration.

In the field of the development of the Bulgarian economy and in line with the measures related to the development of SMEs and entrepreneurship, development of innovation activities, improving the business environment, the main program document is the operational program "Development of the competitiveness of the Bulgarian economy"<sup>2</sup>. In

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<sup>1</sup> Monitoring report on the state of preparedness for EU membership of Bulgaria and Romania, Commission of the European Communities, Brussels, 26/09/2006, COM (2006)

<sup>2</sup> Operational Programme "Development of the competitiveness of the Bulgarian economy 2007-2013", CCI № 2007BG161PO003, Sofia, 2007; At [www.opcompetitiveness.bg](http://www.opcompetitiveness.bg)

fact, it is one of the seven operational programs under the National Strategic Reference framework for the program period 2007-2013, elaborated in accordance with Chapter 21 "Regional Policy and Coordination of the structural Funds instruments". It aims to streamline and synergise the national policies relevant to the achievement of the Lisbon goals.

The European Union conducts a policy of economic and social cohesion aiming to decrease disparities in the economic and social development of EU member states. Despite the fact that in recent years Bulgaria has achieved significant success in developing into a competitive economy, the Gross Domestic product is still below 75% of the average GDP of the Union. According to the regulations, Bulgaria is considered a territory within the Convergence Objective and will be eligible to receive structural funds support.

The Operational program is the main program document of implementing a policy of economic and social cohesion and of improving the competitiveness of the Bulgarian economy. It will be funded by the European regional development Fund and co-financed from the national budget and the total amount of the public resources is around 1,1 bill. euro. The general purpose of the support within the framework of the program is to develop a competitive and efficient production and business potential, to contribute to increasing the economic effect and to assist the necessary structural changes in economy with a view to achieving a sustainable progress and feasible cohesion during the program period. It also contributes to the achievement of the general EU horizontal objectives, namely environment protection, equal opportunities and development of the information society.

The Operational program is based on five priority axes for the 2007-2013 program period:

- Priority axis 1. Development of a knowledge-base economy and innovation activities;
- Priority axis 2. Increasing efficiency of enterprises and promoting a supportive business environment;
- Priority axis 3. Financial resources for development enterprises;
- Priority axis 4. Strengthening the international market positions of Bulgarian economy;
- Priority axis 5. Technical assistance to provide support for the management, implementation, monitoring and control of the program activities.

Preparation, as well as implementation of the operational program "Development of the Competitiveness of the Bulgarian Economy" is the responsibility of the Ministry of Economy and Energy. The managing authority is the "European Funds for Competitiveness" Directorate of the Ministry, which also performs the functions of the secretariat of the program. The elaboration of the operation program was based on observation of the principles of partnership and transparency<sup>3</sup>. There was established a working group for the elaboration of the program, which was based on a broad representation in order to ensure the observation of the partnership principle and the transparency of programming

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<sup>3</sup> The partnership principle is the basis of the functioning of Structural funds. The principle was adopted in 1993 (officially introduced during the reforms in 1988) and it plays a major role in Structural Fund implementation.

the strategic document. It includes representatives of the ministries and agencies directly related to Structural Funds, social partners participating through national representative organizations of employers and employees, non-government organizations, scientific institutions, members of the Bulgarian National Association of Municipalities, as well as representatives of the banking sector. The decisions made by the working group are the main instrument of adopting, amending and monitoring the elaborated parts of the operation program.

The example discussed in connection with the elaboration of the operational program shows that observing the principles of partnership, transparency and integrity in the administrative activity is strongly required by the European Commission, because it is a key condition for improving governance, limiting corruption and raising public confidence in the institutions.

In the Bulgarian context, the establishing of the principles of transparency and integrity in the activity of the state administration and the high-level officials turns into a crucial prerequisite for good governance, for combating and preventing corruption and for enhancement of the role of civil society. The application of the principles of transparency and integrity in the activity of the civil servants is an overriding priority of the Ministry of State Administration and Administrative reform. Through the Transparency program for the State Administration and the High-Level State Officials Activity, Bulgaria takes part in the "European Transparency Initiative" of the European Commission and is compliant with the Green Paper on Transparency, aiming at increasing civil participation in the decision-making process.

## 2. IMPLEMENTATION OF THE PROGRAM FOR TRANSPARENCY IN THE BULGARIAN STATE ADMINISTRATION

The efforts to attain good governance with a well functioning state administration are inspired by the understanding of the Bulgarian government that there should be guarantees for transparency and accountability, for regulation clear and effective rules of inter-relations between the citizens and the administration officials and for limitation the high-level corruption. As a result of this understanding there was adopted by the Council of Ministers a Strategy for transparent governance, prevention and combating of corruption.<sup>4</sup> Ministry of State administration has been actively involved in the development of the Strategy and of the Program for Transparency in the Activity of the State Administration and of the High-level Officials.

In addition to these strategic documents, it's worth pointing out the clear concept of the goals and results related to the management of civil servants, developed under the title Human Resources Management in the State Administration Strategy 2006-2013<sup>5</sup>. It is a long-term comprehensive program, which set out the scope of activities in the field of human resources management, as well as a strategic and consistent approach of targeted impact on the employed in the state administration in view of increasing the work

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<sup>4</sup> Strategy for transparent governance, prevention and combating of corruption for the period 2006-2008

<sup>5</sup> Human Resources Management in the State Administration Strategy 2006-2013, adopted by CoM in July 2006

efficiency and improving administrative capacity. Part of the measures, envisaged in the program, is related to enhancing transparency and integrity in the state administration.

There is no doubt that the Ministry of State Administration and administrative reform has set itself the ambiguous task to contribute to the building-up of the necessary administrative capacity and to the overall modernization of the Bulgarian state administration. This objective is in line with the European initiatives for achieving a better functioning society and a more competitive and effective economy through:

- Decreasing the distance and increasing the trust between citizens and institutions
- Enhancing communication, transparency and broader access to information
- Improving the business environment

The Transparency program is developed in compliance with the Strategy for transparent governance, prevention and counteraction of corruption and the Action plan for its implementation. It is based on the a preliminary review of existing negative practices in the activity of state administration and is targeted at the training of civil servants, the adoption of modern systems for delivery of services to citizens, and the strengthening of the relations with the civil sector and the media. The elaboration of the program is a result of the joint efforts of the minister of state administration and administrative reform and the minister of European affairs.

The program is offering concrete measures of how to solve the problems and how to improve state institutions and civil society partnership. More precisely, the measure have been worked out and grouped in three large categories, namely applying the current legislation, initiating changes in laws and regulating the civil society controlling mechanism. The overall review of the measure shows that they specifically relate to transparency of competitions and appointment, strengthening the position of the civil servant, training for new administrative culture, foreign languages and communication technologies, administrative regulation and improvement of the dialogue with the media and the public.

In the area of legislation, the important amendments are made regarding the civil servant statute and state administration. To mention only the Civil Servants Act enforcement concerning the mandatory opened to competition appointment, totally in subjection to the impartiality and transparency principles, the unification of employees' appointment procedures implementation and high professional skills based competitiveness stimulation. Overall, the amendments concerned allow making a clear distinction between the political and administrative level in the state administration, regulation of the process of policy development, the increased possibility for mobility of the state servants. They also provide the establishment of an efficient internal control on administrative activity by strengthening the role of inspectorates as internal administrative units for control and prevention of corruption and other offences. With the amendments of the Law on the Publicity of the Property belonging to Persons, occupying senior public positions, the circle of the persons obliged to declare their property was expanded, covering all the bodies within the executive power and the order for submitting declaration for all the persons was unified. In addition, a project of the Law on the transparency of the Lobbying Activities was designed, regulating the registering, revealing and averting the conflict of interests in realizing lobbying practices. A working group, coordinated by the National ombudsman, after consultations with the interested parties, elaborates the project.

It is also important to note another measure regarding the standards of administrative ethics. In 2005 the government adopted "Code of Ethics for high-level officials", the development of which aims at recognition of the principles of transparency, accountability and integrity in the state administration. Later, in the mid of 2006, "Standards of Administrative Ethics" were elaborated and they represent the major rules that every employee must comply with. The information materials have been distributed to all structures of the central, regional and local administration in order to turn these standards into civil servants' daily practice. Observing these principles should become part of the overall assessment of the civil servants' annual performance.

In the area of improving the dialogue with the media, a number of measures have been provided too. To sum up, these measures focus on ensuring maximum publicity for all forums where important decisions are taken; publicity not only for decisions, but also for the debates conducted; turning media into partners through regular press conferences and maintaining actual information in the Internet sites of the ministries and the departments; presentation of the best Bulgarian and European practices. The established practice within the Ministry of State Administration and Administrative Reform to publish regularly on its web page the complete set of documents and the updated information on the course of the procedures for public procurements, as well as to invite representatives of the media at every stage of their developments, is a good example. This practice has been introduced with a view to ensuring full transparency in the announcements of public procurements.

In the area of training it is necessary to point out that the Institute of Public Administration and European Integration (IPAEI) has considerably broadened the scope of training in preventing and countering corruption for the state administration employees and has started work on the development on new courses adapted to the particular needs of knowledge. According to a Report on the Activity of State Administration and Administrative Reform<sup>6</sup>, IPAEI organizes and carries out basic and specialized training in corruption for all state administration employees and in 2006 there were 50 814 employees completed a basic course in corruption prevention and 750 employees from different administrations trained in areas highly sensitive to corruption. In fact, the training was a part of the implementation of the project "Preventing and counteracting corruption in the state administration through training its employees" endorsed by the European Integration Council. The project aims at establishing transparency and accountability guarantees in the decision-making process, strengthening values such as honesty, integrity and morality in the activity of civil servants, and applying good practices for reducing administrative corruption.

As for the mechanism for applying the transparency and integrity program it has been created in such a way as to involve civil society monitoring and NGO's recurring assessment of the work of administration and creating feedback system with the citizens and the business. Determining the responsible units and coordinating persons in the ministries and the departments, as well as expanding the activities of the Chief inspectorate department formed at the Council of Ministers are also important elements of the mechanism.

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<sup>6</sup> Report in the Activity of State Administration and Administrative Reform, August 2005-December 2006, At [www.mdaar.government.bg](http://www.mdaar.government.bg)

Based on the overall program analysis we could sum up that all measures within the frame of the program are closely bound with the basic strategic documents outlining government policy in the field of the state administration:

- a) Program of the Government of the European Integration, economic Growth and Social Responsibility, 2005-2009;
- b) Operational Program Administrative capacity, 2007-2013;
- c) Strategy for Transparent Government and Prevention and Combating Corruption, 2006-2008.

It is beyond doubt that all amendments lead to a great extent to the improvement of the relevant legislation. More precisely, the amendments made to the effective laws and regulations are a step further to the endorsement of the principle of transparency in administration and to the establishment of a professional and objective civil service, which should function efficiently and effectively in using and developing to the maximum employees potential. They reflect government's priorities with respect to the administrative reform and the recommendation made in the EC Comprehensive Monitoring report. While the regular Reports of EC from 2002 to 2005 record "limited progress, further progress, some progress" in the reform of public administration and its adaptation for work under the conditions of EU membership, the merit-based evaluation of the Monitoring report from 16 May, 2006 states that "overall, Bulgaria has made good progress in the field of public administration and is on the way to have an efficient state administration provided that the current path of reform is maintained". Good progress in the implementation of the priorities of the administrative reform has been recorded in a number of fields, such as anticorruption training, improvement of the business climate, preparation for the absorption of EU funds.

## CONCLUSIONS

Based on the analysis and the trends identified in the reform of public administration in Bulgaria the following basic conclusions may be drawn. The application of the principles of transparency and integrity in the activity of the state administration in Bulgaria is a basic priority axis in the process of building-up the necessary administrative capacity and the overall modernization of the state administration. Regarding that priority, there is no doubt that the main challenge in the years to come will be the efficient implementation of the improved relevant legislation for strictly observing the principles of transparency and integrity in all administrative activities. Within that frame it is of key importance to successfully implement the operational program "Administrative Capacity", because the successful absorption of the funds under the program will support the establishment of a more modern, effective and transparent administration.

To conclude, it is worth highlighting that in supporting the successful development and implementation of projects under the operational programs lies the great challenge for 2007-2013 in front of the whole administration and in that process principles of transparency and integrity endorsement in the activity of the civil servants is of prime necessity. Reaching the outlined goals regarding the implementation of the policy of economic and social cohesion and the improvement of competitiveness of the Bulgarian economy is demanding strict application of the principle of transparency in state administration.

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**TRANSPARENTNOST U DRŽAVNOJ ADMINISTRACIJI:  
OSNOVNI USLOV ZA DOBRO UPRAVLJANJE I  
KONKURENTNOST BUGARSKE PRIVREDE  
U EVROPSKOM KONTEKSTU**

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*U smislu evropskih integracija, transparentnost u državnoj administraciji mora da dostigne moderan tip upravljanja. Za programski period EU 2007-2013, bugarska administracija je aktivno uključena u razvoj i primenu politike ekonomske i socijalne kohezije i u unapređenje konkurentnosti nacionalne privrede. Naravno, uspešna primena ove politike u velikoj meri zavisi od dobrog funkcionisanja državne administracije, sposobne da primeni najbolju evropsku praksu i politike. Cilj ovog rada je analiza programa transparentnosti u državnoj administraciji putem koga se Bugarska pridružuje evropskoj inicijativi Evropske Komisije sa ciljem povećanja civilnog učešća u procesu donošenja odluka. Kao zaključak je data opšta procena dostignutih mera i rezultata za osiguranje transparentnosti i integriteta administracije. Dati su i neki komentari o budućim akcijama, a naglašeni su i trendovi za dostizanje pune transparentnosti državne administracije u Bugarskoj, za uspešno savremeno upravljanje i konkurentnost ekonomije.*

*Ključne reči: Transparentnost, državna administracija, upravljanje, konkurencija, ekonomija Bugarske*