

2nd Session «Public Sector: Restructuring strategies, consequences – trends, evaluation»

**Policy-making process modernization:
Evaluation of Bulgarian case**

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Abstract

The public policy process is considered as a norm of the current development. It presumes the relation between the public participation and the policy-making rationality. This connection is neither spontaneous, nor easy to be built. Its creation is the content of the policy process modernization. This article aims to evaluate the policy process modernization in Bulgaria in two directions. To one side the article is a try for assessment of the policy capacity existing in the country at the beginning of the full membership in the EU. To the others the article assesses the capacity building policy following by the Bulgarian governments. To achieve these aims a conception for policy capacity is proposed and indicators for it are developed in the article. The Bulgarian case is examined and evaluated through the introduced indicators. The main conclusion is that ethic and knowledge aspects of policy capacity are under-developed in comparison with institutional capacity. That is true for both - the State and the Society actors. In reason the ethic and knowledge capacities are more difficult to be built the measures should be targeted especially to their development.

At the end of the period of social transition and especially with the Europeanization of the country Bulgaria introduces post-modern institutions and practices that became specific for the Western type societies to the beginning of XXI century. Their characteristics are linked to the conceptions of public management and public policy and content the obligation for public resources efficiency and social groups' participation. These institutions and practices' introduction is not at all a spontaneous process. This is true for old democracies, the more – for the new ones, where the resources are more limited and the public interests are less organized. The lack of spontaneity and the rationality of the reforms are on the base of the active measures that can stimulate the changes of the institutional tradition of the Interventionist State.

This article aims to evaluate the Bulgarian case in two directions. To one side the article is a try for assessment of the policy capacity existing in the country at the beginning of the full membership in the EU. To the others the article assesses the capacity building policy following by the Bulgarian governments and administration.

To achieve these aims a conception for policy capacity is proposed in the article. Regardless of the flow of literature on the public policy, there is not a commonly accepted notion. Public policy is more a vague approach, than an integral theory. The more it is true for the public policy capacity. In general the capacity is a concept widely used in the policy documents and poorly developed in the theoretical researches. For the aims of the current research the indicators of public policy capacity are developed in the article. The Bulgarian case is examined and evaluated through the introduced indicators.

The concept of Public policy

During the recent years many conceptions and theories appear behind the widely spread definitions that the public policies are “whatever governments choose to do or not do” (T. Dye, 1976). The public policy is considered as a “a set of interrelated decisions taken by a political actor or group of actors concerning the selection of goals and the means of achieving them within a specified situation where those decisions should, in principle, be within the power of those actors to achieve” (Jenkins W., 1978). This is the content of the process. Its results are the “... government activities, whether acting directly or through agents, as it has an influence on the life of citizens” (Peters B. Guy, 1993). There is one other aspect of the concept – the public policy contains an instrumentalist stage when a choice of measures and a shaping of programs are madding. The policy process is entire process within an interaction between the actors go off and the implementation, the choice of instruments has the same traits (Pressman J. A., A. Wildavsky, 1975).

In spite of the lack of consensual definition of public policy, all the theories include some repetitive traits. Two of them seem the most important because they change the traditional Political science in introducing a new approach.

The concept of public policy includes a changed view of the State role. The horizontal relations between State and Society actors replace the leading role of the State in the hierarchy of the political power. The policy becomes a result of the partnership between organizations of different levels and sectors as well as - of the interchange of power, influence and interests (Coleman S., 1986).

The issue of the groups' influence is not a new one. The concept of Public policy although transforms the influence in participation. As a result the interest group are no more pressure group, they are actors in the policy process in some cases more important than the State organizations.

The rationales for such concept is in the changes occurred during the last two decades of the XX century. At this period the connections and the dependencies of the Society and its groups from the National State become vaguer. The independence of economic actors that do not count on the State for their benefit rises rapidly. This spontaneous result of the changed global market has the direct consequences for the policy process that becomes more consensual and dialogical. The IT technologies have similar consequences for the policy process. They do not only make the information moves faster, but change the division of the power in creating continuously new influential actors. The changes in the policy process are provoked not only of the economic and technologic development, but of the cultural trends. The appearance of the so called active society that declares its interests directly passing over the political parties, influences the policy process in introducing there new independent actors.

As a concept the public policy presupposes the presence and the interaction between many actors in the policy process. The State is compulsory, but not more the unique actor in this process. This idea that is not at all normative but is implanted in the real societal processes is on the base of the new practices appearance. The last do not replace the existing procedure of the Democracy but they add to it in creating public support and consensus. These practices esp. these for public consultancy and for administrative coordination, can be understood as an important step to the institutionalization of the changed policy process.

The trait of public policy explained above can be perceived as a condition for full unpredictability of the policy process. If many actors interact in this process, if they declare their interests and change between them the influence and interest, the result – the government activities, is more connected to their interaction than to the policy objectives or to the problem to solve. The practices of consultancy, involvement and participation are the possible way to input order in a situation that tends to chaos. This is a possible, needed, but not a sufficient way. The process of the new actors' appearance can not be stopped because it is self-organizing. The new emerging actors that are in the policy networks' periphery (Sabatier P., 1999) undertake new actions to exert influence and/or pressure on the policy process. This chaos can be overcome in organizing the policy network through the introduction of rules of representation or/and through the legal framework of the NGO sector. These practices and rules are the content of the institutional aspect of the policy process. Their presence can be perceived as indicator of policy process institutionalization.

The role of the State in the policy process is changed but stays as important as in the time of Colbert. It is one of the actors, but it makes the rules, shapes the practices and distinguishes its partners. The State is no longer an abstract body holder of the power and the reason, but a system of institutions that act in the public interest.

Besides the participation of many actors and the changed role of the State, the policy process has one other specific trait – the process tends to be professionalized and subordinated to the objectives of efficacy and efficiency.

The rationales for such approach is related to the scarce public resources – the main specific of the public sector and as general – of the State's activities. This scarcity is a consequence of the changed economy and the prevailing liberal policy paradigm.

The mentioned two traits seem absurd combination. The first marks the policy process out as chaotic, without legitimate centre. The second marks the policy process out as rational although the State is no longer the unique embodiment of the rationality. The concept of the public policy presumes that all actors follow the efficiency objective and this is a point of intersection of their interaction.

To pursue the efficiency is a part of the proper administrative culture. Its development passes through the educational system and the procedures for promotion in the administrative career. Nevertheless the State is not alone in the policy process. The pursuit of policy efficiency depends of the interaction between influential actors, not only from administrative professionalism.

The pursuit of policy efficiency is a difficult motivation for the Society actors which are moved from the partial interests. The development of their capability to seek for policy efficiency is not at all a spontaneous process. It should be stimulated through specific measures that develop the sense of public responsibility of the Society actors. The proper administrative culture and the societal actors' responsibility are the content of the ethic aspect of public policy process.

There is not a well defined notion for policy efficiency. The confusion of meanings has brought to the appearance of two notions – efficacy and efficiency. The first stresses on the capability to produce the desired effect namely the policy objectives, the second – on the capability to increase the productivity namely to increase the ratio of the policy benefit and the expenses done for its production. This confusion of notion is explainable. The policy has objectives that can not be reached by the spontaneous action of the market or of the introduced rules. This is the rationale for the acting State. Then the direct benefit is not a good measure for the policy efficiency. Additionally very soon the policy benefit can not be measured and this perverts the pursuit of efficiency. Consequently the policy process is difficult to manage and to evaluate. Nevertheless these difficulties the pursuit of efficiency has not alternative. This is not an end but a principle that enhances the policy process.

Independently of the unachieved debate on the policy efficiency, there is a consensus that the public aims should be reached at a reasonable price. Now much is the reasonable price – no one knows, but the reasonability should be evaluated and proved. Then the policy is not at all a question of financial opportunities, it is a question of rational decision making that presumes knowledge of the participating actors. This is the knowledge aspect of the policy process.

Besides the participation and the efficiency the policy concept has one other specific which changes the conventional view of Political science. The policy process

does not go off at the State level, but in the sectors. The State does not act as unified body; it acts through the relatively independent administrations (Ministries, Agencies and so on), which solve the existing problems in accordance with their own capability and knowledge. Each administration interacts with specific Society actors which interests are related to the sector of competencies of the State actor. These specific Society actors have no influence in the other sectors. Than the interaction and its result – the policies differ from sector to sector, because the specific actors transmit their ethic, knowledge and capability to interact on the policy content. Following this statement, the three aspects of the policy process – institutional, ethic and knowledge, have significant differences from sector to sector.

In accordance with the explained model, the policy process has three axes. The first is the institutional axe that follows the criteria presence/lack of practices of influential actors' involvement at all stages of the policy process. The second is the ethic axe with criteria presence/lack of public responsibility and proper administrative culture. The third is the knowledge axe that follows the criteria presence/lack of capability for policy analyses. There is not a unique model of public policy process. It is fragmentized in many processes which reflect the peculiarities of the interaction between the actors in different sectors shaped by the structure of Government.

The concept of Policy capacity

The policy process model explained above can be used to defining the policy capacity. It contents the institutions of policy process (institutional aspect) and the capabilities of the actors (cultural and knowledge aspects) to participate effectively there. The policy process institutions represent nothing but the opportunity while the actors' capabilities make the policy process and its result feasible.

In reason that at least two types of actors - of State and of Society¹, participate in the policy process, the policy capacity assign to both of them. These different in type actors transmit on the public policy their internal institutions, ethic and knowledge. If one of them does not possess the capacity to participate effectively, the

¹ There is another type of actors – the International ones (Howlett M., M. Ramesh, 1995), but they are not included in the current study because of their specific involvement and role in the policy process that make them an issue inexplicable through the same concepts.

policy process could be perverted although the proper organizational setting and behavior of the other. Than the policy process capacity does not refer to the administrations. It includes the capability of the Society actors.

These two types of actor differ in some very important points. First of all they differ in the interests they advocate. The administration is identified by the public interest while the Society actors represent partial interests. The public policy process is supposed to overcome the possible contradiction and to reach to decision that deals with the public benefit at a reasonable price. The State and Society actors differ also in there power resources. The administrations have competencies to undertake the actions in some public areas; while the Society actors do not posses normative power² and they rely on the public influence or in specific cases – on their control on the economy or on the information. The Society actors' power resources are not legitimated; in prevailing cases they are contested. Than their participation in the policy process is not at all ensured and depends on their own capability to advocacy and to provoke a public support for their idea. The two types of actors differ also in their organization. Whereas the administrations have hierarchical structure with a clear internal arrangement of duties and responsibilities, the Society actors have ordinary a flexible organizational structure in many cases unable to produce incontestable decisions.

The relative weakness of the Society actors in the policy process which is due to the contested legitimacy is compensated by the fact that the administrations need their support to increase the effectiveness of their own actions. Consequently the Society actors are not at all subordinated in the policy process; they are partners of the State actors because of their rational choice and the search of an out-put legitimacy for the government activities.

In reason of the peculiarities of the participating actors, the policy capacity has two different dimensions - the first refer to the State actors, esp. to the sectoral and local administrations that have the competences to rule over specific public areas, the second – to the Society actors.

² Some Society actors obtain or already have a normative power in being included in the procedure of the policy process.

The last differ very much in their identification, power resources they possess, organizational settings. In the policy process there are included at least four types of societal actors – the business (the producers), the local communities, the corporative organizations, the NGO. Nevertheless their policy capacity depends esp. of their capability to advocate and can be explored independently of the indices mentioned above.

The institutional capacity of the State actors includes the introduction of practices of consultation and of coordination in the decision making process and in the policy implementation process.

The institutional capacity of Society actors presumes a presence of stable organization that is able to produce an uncontestable decision. Additionally the Society actors should have a strong sectoral affiliation and transparent background. The financial potential is one other trait of their institutional capacity.

The ethic capacity of the State actors includes the introduction of the administrative culture based on the services, transparency and participation.

The ethic capacity of Society actors presumes a presence of the sense of public responsibility.

Knowledge capacity of State and of Society actors is identical. It presumes ability for policy evaluation, policy analysis and policy making based on evidences.

The policy capacity has one other dimension that refers to the whole society. The effective policy process depends on the social attitudes to the Society actors namely nongovernmental organizations. The main power resource of the actors of this type is the influence. The last depends on the confidence of the groups or the Society as whole in the nongovernmental sector or in concrete organizations.

Policy capacity building

The policy process is perceived as a norm of proper behavior of empowered institutions. Although it tends to a lack of decisions' rationality because of the involvement of many actors, it has no alternative because of the changed social situation and the existing rationales for its development. Nevertheless the policy process is neither spontaneous, nor easy to be stimulated.

The policy process which is an interactive one should result in a feasible decision that can be effectively implemented and can produce valuable impact. The content of the process is the interaction between actors of different types and with different interests. If the process is spontaneous, it would not result in such result. If the process is subordinated to the rationality and the interaction process cease to be managed, its result would be contested by the groups of partial interests.

The policy capacity building is directed to the development of the institutions and capabilities of the actors and aimed to bond them and the interests they advocate for. It includes two segments – one institutional and another educational.

The administration is the essential target group to the policy capacity building. Two reasons explain this fact. The first is that it is easier to change a public body with a hierarchical structure and professional criteria for career development. The second reason is more important – in the policy process the administration stays a decisive factor because it has a competence to implement the policy and to participate in its formulation. It depends on the administration to admit or to involve the Society actors in the policy process.

The Society actors are likewise a target group of the policy capacity building. Through this process they should develop their organizational capacity and their sense of public responsibility.

The policy capacity building is a problem of public policy. If the public policy is perceived as a norm of the current State role, the State is this that is responsible for its introduction and development.

The Bulgarian case evaluation

The policy capacities of the State actors

The notion public policy appears rarely in the policy documents. The related notions - efficacy and efficiency, transparency and accountability, good governance, administrative services, are mostly used. Public policy as a notion is included in the strategic documents esp. in those of the State Administration Ministry during the last two years. The use of the notion reflects the European practices development.

The public policy process and its stimulation became an explicit policy objective in the Operational program “Administrative capacity” developed by the Bulgarian government in purpose to assimilate the European structural funds. In this document which represent the policy framework for the period till 2013 the policy making is determined as a process that includes all steps from the policy formulation, strategic planning and impact assessment to its adoption and implementation through the normative acts. This process requires good coordination and publicity in purpose to report on the stakeholders’ interests. Before this document development the policy is considered mostly as a strategy, not as a specific process.

In the practice the linkage of the policies and strategies with the budget and the needed human resources begin to be implemented till 2004. In 2006 the process of strategic planning is regulated. The Council of Ministers is obligated to adopt a program with the strategic objectives for the mandatory period. On the base of this program every Ministry develops the annual goals of the administration’s activities. The Council of Ministers elaborates standards for the strategies’ development and policy making and helps the administrations for the strategies’ impact assessment.

At the beginning of 2007 there are 400 active strategic documents: 117 on the State level, 6 regional development plans, 28 regional development strategies and more than 250 local communities’ development plans. There is not horizontal coordination of the separated strategies. There are not more intersectoral priorities for the country development.

The strategic goals fulfillment depends on the administrative level. It is relatively admissible on the central level and decreases significantly on the local level (fig. 1). The main reason for the relatively poor accomplishment of the goals is the lack of the financial resources. The significant part of the strategies are not ensures financially. The problem is most evident on the regional and community levels where only 7% of the needed finances are ensured. The problem is severe for all the administrations (fig. 2). In this situation two question raise. The first is why the strategies neither are nor financially ensured at the planning stage. The second is more absurd – how the goals are achieved without needed financial resources, because the proportion of the fulfillment is bigger than the proportion of the ensured

finance. The problem is in the process which is normatively developed but poor in knowledge. That's why the shortage of resources became the main reason for the modest strategic goals achievement.

The consultations as practices that widen the capacity for policy-making are introduced in the Bulgarian administrations. They are regulated through the Law for Administration. In 2006 the Consultative bodies on the central level created by the Council of Ministers are 46. There is a stable trend to the growth of their number. For comparison in 2004 they are 37. The Law does not regulate the organizational aspect of the Consultative bodies' activity. Less than a half of the existing Consultative bodies have internal statutes. For 2006 a half of them have developed an annual working program. The Consultative bodies are the arena of the both - horizontal coordination and intersectoral consultation. To be such arena – this depends on their staff. The representatives of different administrations prevail in the acting Consultative bodies. Not more than 15 of them are using external experts, 18 – have involved NGO in their activities. The most active is the NGO participation in the National Council for collaboration on ethnic and demographic issues, National council for integration of the handicap and the Council for decentralization of the governance.

There is not public information about the Consultative bodies' activities. Some of them (27) have reported their activities to the Council of Ministers. The Security Council reports its activity as well to the Parliament. Besides the Council of Ministers, the Ministers can create Consultative groups. In 2006 there are 61 groups that the main objective is the inter-departmental coordination. These groups' activities are not transparent esp. for the non-administrative stakeholders.

On the regional and community level the situation is the same – all administrations have created consultative bodies. Nevertheless the policy coordination can not be considered as well implemented. There is significant dubbing of activities, somewhere contradictions between sectoral goals that make evident the shortage of horizontal coordination. In practices the Consultative bodies are mechanisms to minimize the existing conflict, but they do not possess yet the opportunity to make a consensual and efficient policy.

The Consultative bodies do not exhaust the public participation's shapes. They close the public participation and although their capacities they tend to remove the wide public from the policy process. The more deliberative mechanisms – such as public discussion and dialog with the public neither are nor widely introduced in Bulgarian practices³. The public consultations are not considered as a part of the strategies' impact assessment.

Although the impact assessment implementation is normatively regulated, its use as a part of policy process is limited. The problem is not related only to the lack of the knowledge. In contrast to the strategic planning there are institutional barriers for the impact assessment implementation. For the moment there are not developed standards for its implementation, nor an administrative body for policies' monitoring and control. The impact assessment is considered as a part of legislative process and is not used yet as a tool for policy evaluation.

The deregulation is the core of the prevailing policy paradigm. The administrative activities aimed to the economic liberalization can be considered as an indicator for policy capacity. They represent an evidence for the changed culture and knowledge of the public bodies. In the same time they create independent producers and their involvement in the policy process makes it more efficient. In Bulgaria a specific Law for limitation of administrative regulation and administrative control on the economic activity was adopted. The administrations are obligated to undertake special measures to implement the Law. The main measure is the public announcement of the policies and existing regimes. The administrations use for the announcement of the deregulations Internet, Medias and their own communication centers. A few (less than 4%) do not announce the policies and practices of deregulation. According to the Law the executive bodies change and initiate changes of the sub-delegated legislation. The changes include the regimes procedures as well as the organization of the administrative services. In 2005 not more than 22 % of

³ Annual report of the National Ombudsman,
[HTTP://WWW.OMBUDSMAN.BG/SITEUPLOADS/OMBUDSMAN_REPORT2006_LRES.PDF](http://www.ombudsman.bg/siteuploads/ombudsman_report2006_lres.pdf)

administrations have initiated changes in the legislation relevant to the regulation regimes⁴. In 2006 this portion diminishes to 4, 7%.

The public policy process is a challenge for the human resources of the administrations. Its stimulation presumes a professionalization of the administration that can be evaluated by the indicator as access to the administrative job, promotion paths, mobility, vocational training.

The administrations' human resources development shows favorable trends. The competition as a mechanism for access and promotion in the administrative structure increases its role (fig. 3). According to official data in 2006 the administrations prefer a competition procedure to find a titular for the vacancies. This is the prevailing path to get an expert position. That is not true for the leader positions for which the promotion in rank is the prevailing procedure.

The generations in administrations are relatively equally represented (fig. 4). The proportion of the young generation (to 3 years in administration) is nearly equal to the experiences generation (more than 10 years). The proportion of the middle generation (from 3 to 5 years) shows a relative interruption of the continuity in the administration. In reason of the low wages there is a flow of administrators who quit the public sector. If this trend resists it could become the big challenge for the policy capacity in the shortcoming future.

According to the Law of civil service the vocational training is compulsory for the newly hired servants and the newly hired leaders, as well as for all servants once a year. The routine trainings are oriented to the organization of the administrative activities and the related requirements.

Nevertheless the favorable trends in the administrative human resources development the administrations continue to use an external expertise. 79% of the administrations on central level and 76% of the territorial administrations have used external experts for their activities accomplishment in 2006. This share is bigger for community and regional administrations – respectively 86 % and 81 %. In the prevailing cases external experts were used for juridical services, property evaluation,

⁴ More than 40% of the administrations do not implement activities of administrative regulation and administrative control.

consultancy, translations. The external experts' use is insignificant in cases related to the participation in international projects and normative analyses' elaboration.

The transparency of administrative activities and the access to the public information is a very important precondition for the policy process. The administrations give information through Internet. The most of them have an own Internet site. The most often information is related to the administrative authorities, functions and competences, to the normative acts and the organization of administrative activities and services. The administrations are obligated to give information but there is not a specific regulation for the term of this obligation accomplishment. In the most cases the administrations publish the information every year. Almost the same is the proportion of administrations that give the information every month. One 5th of administrations give new information every week.

The policy capacity of the Society actors

The Bulgarian NGO sector development shows contradictory trends. In 2006 there are 27 000 non-profit organization, 2 500 of them are active, 1000 are registered as Public Benefit Body. At the same time the survey results⁵ reveal some negative findings: over half of the NGOs do not take part in municipal level planning, about three-fourths do not participate in planning on the district and regional level and close to 90% of NGOs do not participate in planning on the national level. Business sector development is similar. Although the economic growth, businesses participation in planning processes in general seems low, at least considerably lower than that of NGOs.

The relative alienation of societal actors from the public policy process can not be explained by the lack of administrations' willingness to admit them there. The problems are more complex and related to the policy capacity of the non-governmental sector.

⁵ ASSESSMENT OF THE CAPACITY OF NON-GOVERNMENTAL ORGANIZATIONS AND BUSINESSES to Participate in the Absorption of the EU Structural and Cohesion Funds, UNDP, Sofia, 2006.

In 2003 an independent evaluation⁶ makes the conclusion that the State has overcome the full negativism to the NGO and begins to use them as an additional source for training and expertise. Nevertheless the State continues to perceive them as a transmission for its messages to the target groups. At this moment the NGO are unsatisfied of their partnership with the institutions on national level. The Government is also unsatisfied from its relations with the NGO sector because of the lack of flexibility and public responsibility. There is a common opinion that the partnerships on local level are easier to be sustained in reason of the informal relation and transparency. The quoted evaluation proves that the NGO sector has not formulated and articulated yet an alternative agenda of development.

According to the quoted evaluation there are some factors that impede the NGO sector efficiency – the limited participation, the lack of solidarity and connections within the sector, as well as the existing suspicions in corruption esp. related to the European financing. The limited efficacy of the NGO sector is explained with the insufficient accountancy and information for the programs and absorbed finances.

The main resource of the NGO sector is the information and expertise. As a result the public policies depends more on the experts than on the participation.

In 2006 the situation has not significantly changed. The NGO sector sustainability index⁷ shows that it is close to consolidation but stays unconsolidated because of the financial and organizational problems (fig. 5). The Organizational Capacity and Financial Viability dimensions have prevented the sector from entering the “Consolidation” phase of NGO sustainability. In fact, these two dimensions are mutually dependent, and when weak, result in the defection of the sector’s most qualified professionals. While the government and business sectors continue to develop their organizational capacity, NGOs do not. The majority of NGOs lacks both a clear mission and strategic plan. Majority of NGOs also lacks a clearly defined

⁶ Българският неправителствен сектор в контекста на развитието, София, 2003,
[HTTP://WWW.WCIF-
BG.ORG/DATA/FCKEDITOR/FILE/NGOSECTOR.PDF](http://www.wcif-bg.org/data/fckeditor/file/ngosector.pdf)

⁷ The 2006 NGO sustainability index,
[HTTP://WWW.USAID.GOV/LOCATIONS/EUROPE_EURASIA/DEM_GOV/
NGOINDEX/2006/](http://www.usaid.gov/locations/europe_eurasia/dem_gov/ngoindex/2006/)

administrative structure delineating specific job descriptions and responsibilities. From the approximately one-hundred leading organizations that work with foreign donors, typical NGOs are not able to adhere to accepted standards of transparency and accountability. As foreign funding recedes, organizations have stopped investing in organizational capacity. New local donors, such as the central and local governments, have yet to show an interest in funding organizational capacity building.

Organizations are no longer able to attract top professionals as they once did. One reason for optimism is the growing number of youth who are becoming involved in NGO activities as volunteers.

NGO service providers have benefited the most from the new government programs, especially those initiated by the Ministries of Labor and Social Policy and the Environment, and the Home Office. Advocacy organizations are increasingly unstable due to their continued dependency on foreign donors, who are withdrawing support. Over the past year, NGOs have increasingly collaborated with officials from both the central and local governments to develop and implement policy. The dialogue between the government and NGO sectors has become more frequent and direct. Government officials have a growing appreciation for the expertise that NGOs have to offer and are solidifying partnerships and cooperation with more contracts. Despite these improvements, NGOs have failed to organize any coalitions around some policies or policy problems.

The public policy process covers policy formulation and policy implementation. It does not finish with the bargaining or with the consensual decision achievement. The Societal actors participate in the implementation in undertaking the responsibility for public benefit creation. The implementation process is a process of partnership that is designed through the program-project logic. It is the base for the partnership construction. That's why the preparedness to participate in the programs is an indicator for the policy capacity of the societal actors.

The evaluation of Society actors' preparedness to participate in the European funds absorption prove the idea that there are numerous common features among NGO

and business organization although the differences between them.⁸ The NGO and the business sector are only partially ready to take part in the Structural Funds absorption and their degree of preparedness is similar to that of other key actors such as the municipalities.

However, the survey revealed a paradox where those who are more eligible are less prepared than those who under the regulations are assigned a smaller role in the direct absorption of the Structural Funds. Actors from the NGO sector are more enthusiastic, more motivated, better informed, display a higher level of project and planning culture, stronger willingness of partnership with public administration, other NGOs and businesses. Businesses are more skeptical and more realistic, but also less informed and less prepared for participation in the Structural Funds.

An important fact, present in most of the survey's sections, is the valorization of the local level. The closer the local level is, the bigger importance NGOs and businesses attach to participating in the various planning and programming exercises and the more frequent and satisfactory the interaction with public administration is. More frequent and useful is also the interaction within each of the two sectors and between them. At the higher levels (district, regional, national) participation in planning, interaction with administration, interaction within the sectors and between the sectors tends to decrease. The businesses are "closer" to the local level than NGOs. Even for companies with national and supranational operations participation in municipal planning retains its dominant position.

Among NGOs those who stand out as better prepared are the national organizations, the thinktanks and the support and lobbying organizations, the development agencies and the business centers, the municipal associations, the regional structures of the Chamber of Industry and Commerce and the Industrial Association.

NGOs' desire to participate in the absorption of Structural Funds is based on pragmatic, rather than on idealistic considerations. An issue is the limited presence of the NGO advocacy function as evidenced by motives such as interest representation

⁸ Assessment of the capacity of NGO and business to Participate in the Absorption of the EU Structural and Cohesion Funds, UNDP, Sofia, 2006,
[HTTP://WWW.UNDP.BG/PUBLICATIONS.PHP?ID=1519&LANG=EN](http://www.undp.bg/publications.php?id=1519&lang=en)

and knowledge of the needs of target groups or regions as well as appropriate targeting of Structural Funds and ensuring transparency and efficiency in their use. Businesses emphasize motives arising directly from the challenges of accession: raising competitiveness and aligning to EU requirements and standards.

Communication between the sectors is weaker compared to communication within the sectors and is also asymmetric. Over half of the NGOs have not interacted with companies or when they have they were not satisfied with the process. Even when in geographic proximity, the entire business sector appears as the most distant actor from the point of view of NGOs. At the same time, those NGOs who cooperate well with businesses rate highly their cooperation with other NGOs, while those who do not interact with businesses statistically more rarely interact inside their sector.

From the point of view of businesses, relations are perceived as even more asymmetric: close to all business representatives interviewed state that they should interact with the NGO sector but over half of them have not had any relations with NGOs of a broader specialization and over one third with business NGOs or NGOs in support of business.

Both sectors are fragmented and dominated by small organizations. This is a barrier to their efficient performance and to the protection of their interests, as well as a limitation to their participation in programs monitoring and evaluation, the identification of suitable local partners for projects, the establishment of flexible social networks and mobile social capital, the development of suitable international contacts, efficient access to information and last but not least, the mutual support inside the sectors.

The survey showed that many organizations and their employees have passed training in the past few years. Nevertheless, on many issues there seems to be no actual difference between the informed and the uninformed, the trained and the untrained, the prepared and the unprepared. Such fact raises doubts with respect to the quality of information and training. There is shortage of specific knowledge, practical skills and routine for the Structural Funds.

NGOs and businesses see interaction and cooperation with the public sector linked to planning and project design as very important and do cooperate intensively

with administration. A point of concern is that in this context, the evaluation of interaction shows considerable gaps, more prominent with NGOs than with companies: businesses are more skeptical towards the administration, slower to enter in any interaction, but at the same time less disappointed. Underlying the problem are high expectations towards the administration that at present it cannot meet and maybe would be unrealistic to expect it to meet in the near future. In addition the better part of respondents is not aware of the real role of municipalities in the use of the funds or sees them as the core beneficiary (only 10% of the NGOs and the companies gave answers close to the correct one).

NGOs and businesses reveal strongly converging views on the main hindrances for better interaction with public administration. Prominent among them are:

- Absence of formal interaction and consultation mechanisms and procedures;
- Low efficiency of the existing mechanisms and procedures;
- Centralization in decision-making and resources when the municipality is the closest partner;
- Tendency in administration to inform the community about decisions post factum;
- Refusal to treat NGOs and businesses as equal partners.

The policy capacity building⁹

It contains the measures designed to stimulate the partnership between State and Society actors in the agenda setting, policy formulation, decision making, policy implementation and policy evaluation. There is not in Bulgaria an explicit strategy for

⁹ The policy in the field is developed in following documents: Актуализирана Стратегия за модернизиране на държавната администрация – от присъединяване към интегриране, 2003-2006, Стратегия за електронното правителство, Национална стратегия за противодействие на корупцията, Бяла книга за постиженията и предизвикателствата пред българската държавна администрация в Европейския съюз, Национален план за развитие 2007-2013, Стратегия за децентрализация, Стратегия за управление на човешките ресурси в държавната администрация, Стратегия за обучение на служителите в администрацията, [HTTP://WWW.MDAAR.GOVERNMENT.BG/STRATEGIES.PHP](http://www.mdaar.government.bg/strategies.php)

public policy capacity building. The Operational program “Administrative capacity”¹⁰ implemented to European funds absorption can be considered as an exception because it deals partially with the issue. The operational program stresses on the need to develop the consultation and coordination, strategic planning, impact assessment and partnership. The measures are oriented to the administration. This document does not deal with the issue of the policy capacity of the Society actors.

Despite the missing strategy Bulgaria has already undertaken many steps to create policy capacity. The core of the administrative reform was the policy capacity creation although such aim was not explicitly formulated. The projects helping the administrative reform aim to modernize the administration and its structures. Those designed to central administration are predominantly in the framework of Phare program. The projects intended to help the reform on local level have various financial sources: EU, World bank, UN Development Program, MATRA program, EXBS program, TAIEX program, USAID and so on. In 2006 100 administrations (on central, regional and local level) implement projects financed by the European Commission or by other donors. The projects financed entirely through the State budget are implemented by the central administration’s structures.

The priority of the administrative reform both in the transition process and in the European integration process and the variety and the multiplicity of donors for it shape an absurd situation where the administrative reform’s efficiency decreases. The content of the reform was properly developed. Its aims were fully correspondent to the public needs. The problem was in its organization and esp. in the dubbing of measures and the lack of result-oriented evaluation.

Conclusion

1. The public policy capacity has institutional, ethic and cultural aspects.
2. There are at least two types of actors in the policy process – State and Society actors. Policy capacity covers both of them.

¹⁰ [HTTP://WWW.MDAAR.GOVERNMENT.BG/DOCS/OPAC_FINAL.PDF](http://www.mdaar.government.bg/docs/opac_final.pdf)

3. Policy capacity has at least two dimensions: capability for partnership in every stage of policy process and capability for policy analyses.
4. In Bulgaria the policy capacity is not yet well developed. The main problem is the under-developed ethic and knowledge aspects of the policy capacity.
5. The institutional aspect is well developed. The procedures of coordination and consultation are introduced in the practice. The legal framework ensures the independency of the NGO sector. The deregulation is the core of the administrative activities. The procedures and standards for policy evaluation are not introduced in practices and represent an exception from the conclusion.
6. The main ethic problem is related to the missing or limited culture of cooperation and public responsibility. The administration continue to believe that it implement the decisions made by someone else. The NGO sector is pragmatic and does not advocate the public or groups' needs.
7. The main knowledge problem is the missing strategic thinking. The administrative strategic documents are abundant but they are neither financially ensured nor result oriented. The Societal actors do not succeed to formulate their own agenda.
8. The favorable trends are related to the pragmatic and rational willingness of the policy actors to participate in the process.
9. The unfavorable trends are related to the mutual lack of satisfaction from the partnership felt from both the State and the Society actors, as well as to the contradictory public image of the NGO sector.
10. The stimulation of the favorable trends depends on the policy capacity building. Bulgaria undertakes some steps to the institutional and knowledge capacity building. For the moment the measures are not result-oriented.

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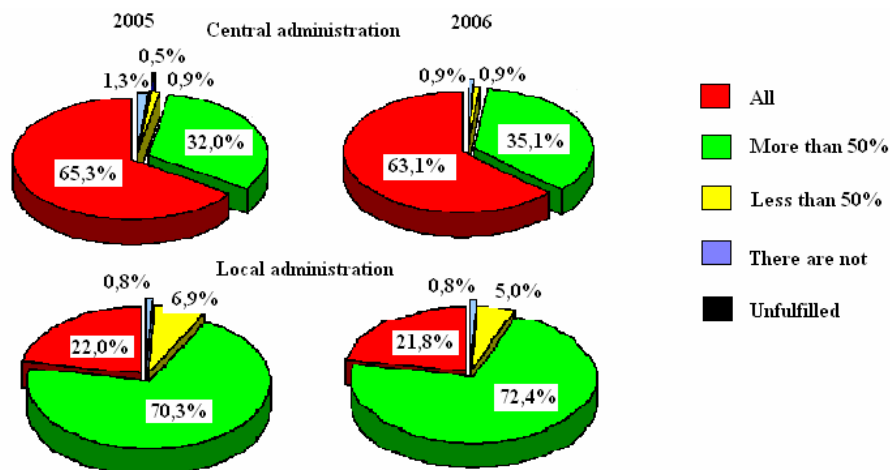
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Figures

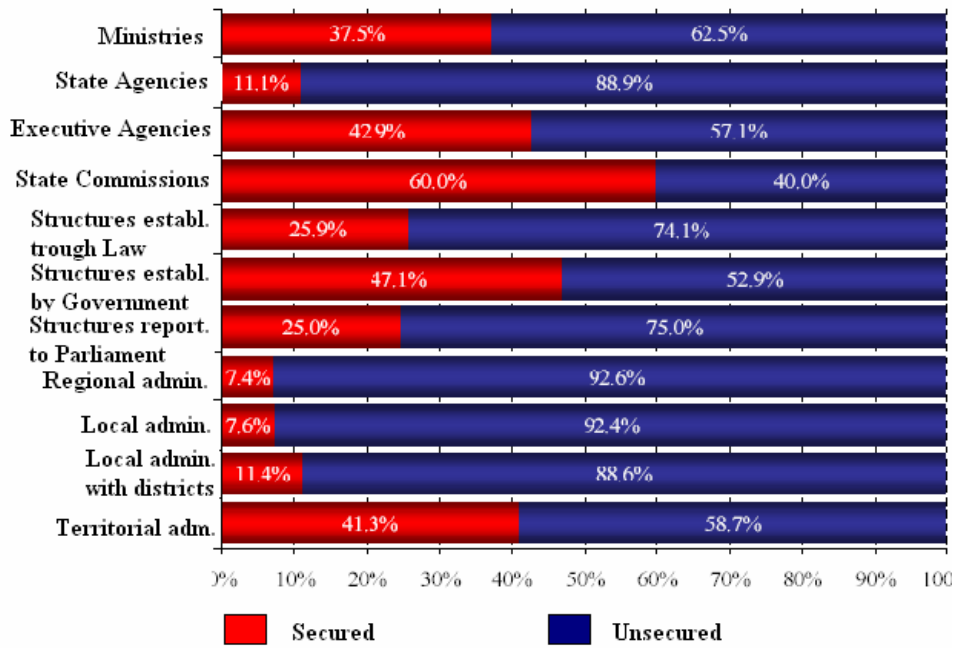
Fig 1. Strategic goals fulfillment



Source: Ministry of State administration and administrative reform

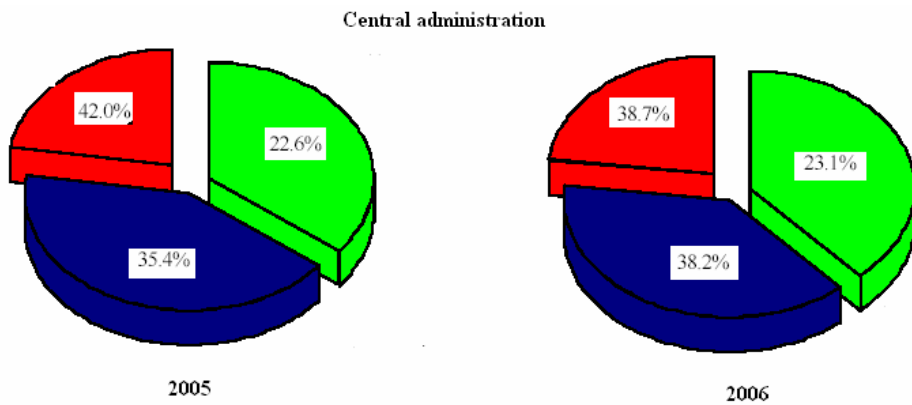
Fig. 2 Financial security of Strategic goals

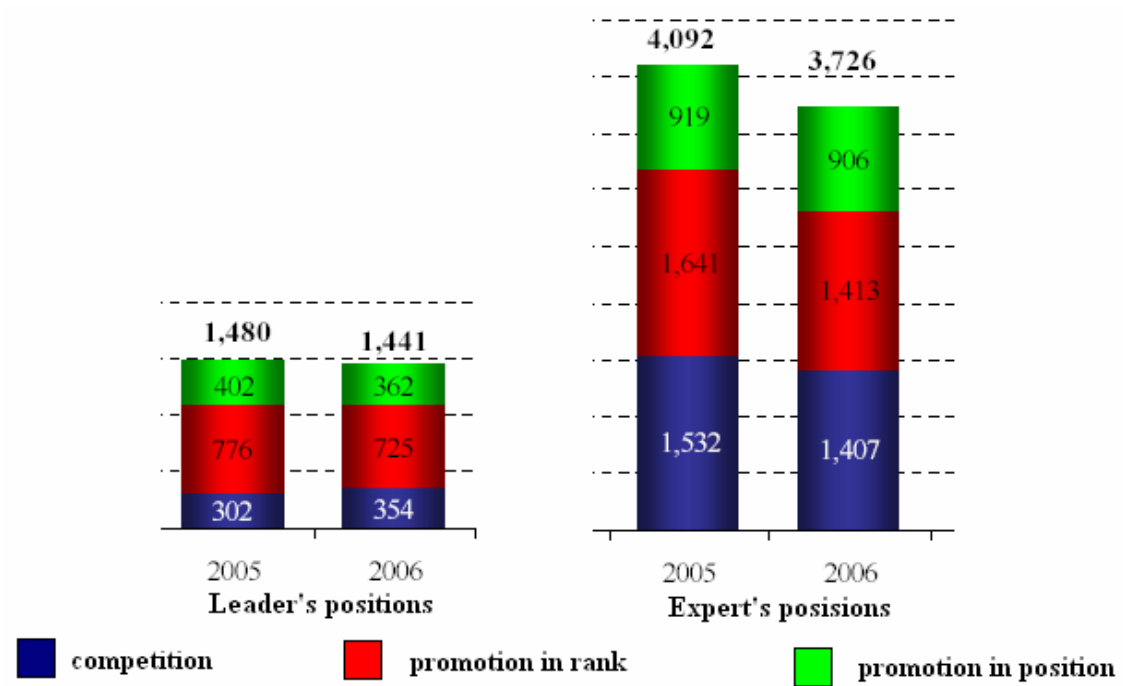
Policy-making process modernization: Evaluation of Bulgarian case



Source: Ministry of State administration and administrative reform

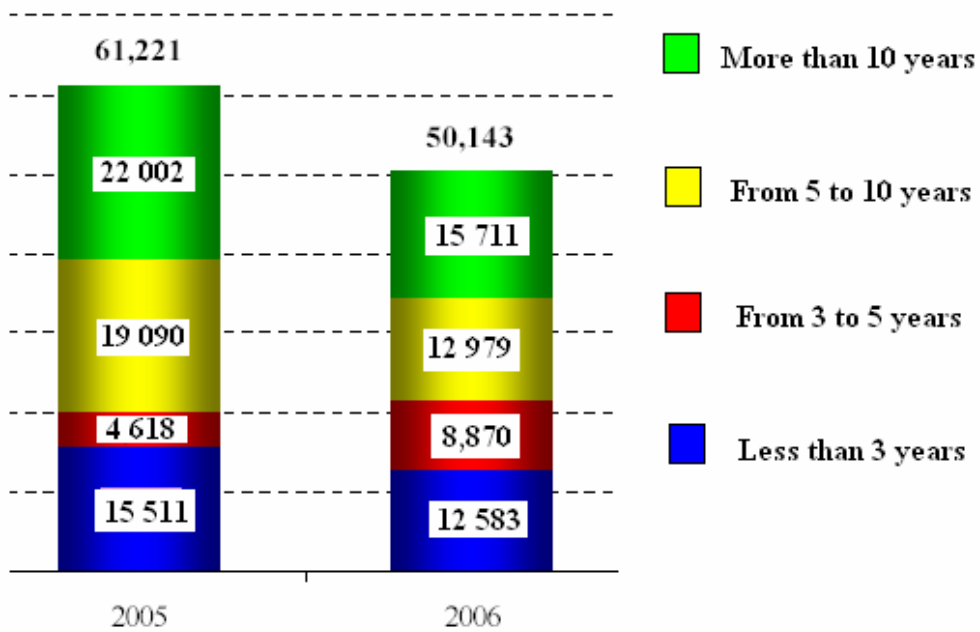
Fig. 3 Procedures of entrance into administrative positions





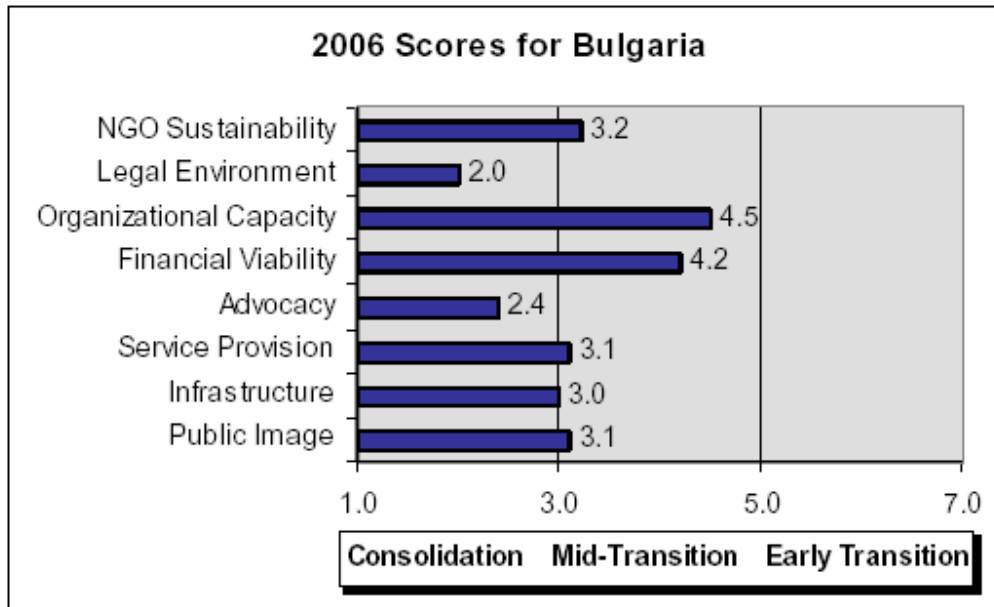
Source: Ministry of State administration and administrative reform

Fig. 4 Continuity of administrative position (number of employees)



Source: Ministry of State administration and administrative reform

Fig. 5 NGO sector sustainability



Source: USAID