

INCREASING TRANSPARENCY THROUGH E-COMMUNICATION SYSTEMS

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ABSTRACT

Most elements of transparency are governed by legislation (Act 544 of October 12, 2001 on free access to public information⁸), but besides these regulations there are some commendable local initiatives, such as methods of online search requests, complaints, opinions and following their route through the institution (Fig. 2).

The example taken into consideration in this article is the Bucharest City Hall (www.pmb.ro) which has not obtained by chance in the studies⁹ the highest rating.

Obviously, Bucharest City Hall is not the single one that has implemented such systems, but I took it as an example here because of its highest rating. I want to mention, however, that in 2012 the highest rating was obtained by the City Hall of Arad (which was second in 2010) and, as well as, pmb.ro they have implemented electronic systems for increasing transparency.

It might have been useful to have in this article several examples, but the selection could appear subjective, on the one hand, and, on the other hand, due to lack space (if it were to introduce them all) I just speak about pmb.ro. I will not forget the literature, which is very rich in this subject.

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Introduction

In recent years, governments have had to face new demands of society. Government provides public services to citizens, for that using resources provided by society itself. Therefore, legally, the citizen wants to know how the government uses

⁸ Law no. 544 of 12 October 2001 on free access to public information, published in Official Gazette no. 663 of October 23, 2001

⁹ Vrabie C. (2011), The European Integration – Realities and Perspectives, *Digital Governance (in Romanian Municipalities). A Longitudinal Assessment of Municipal Web Sites in Romania*, pp. 906-926

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public resources and applications as services, already realizing that they must be efficient and effective. Finally, the citizen wants an innovative administration that is responsible for its actions and governed by the continuous improvement of public services.

We can define this as "responsibility" of government to society.

Responsibility and the demand for it, in the public domain, are entirely justified; the administration is using public resources for development work and, therefore, should reveal and explain the results achieved. It is, therefore, necessary that financial information provided for public bodies serves not only as responsible for drafting government to make decisions, but also to evaluate the management and administrative determinations.

Dissemination of financial information

In the local area, Law no. 273/2006¹⁰ on local government finance, with its subsequent amendments, Law no. 544/2001¹¹ on free access to public information, with its subsequent amendments and Law. 215/2001¹² on local public administration, republished, with its subsequent amendments, establish basic guidelines for the local adoption of accounting entities.

Below I will show some elements found in the literature related to transparency. Previously¹³ we undertook a survey on all 103 sites of the Romanian Cities, in order to check for the items described below.

1. Strategic planning

Thus, we examined whether the country's municipalities expose objectives that should be achieved on their Web pages.

2. Dissemination of financial data

According to Law no. 273/2006¹⁴ on local government finance, local public entities must prepare documents related to public accounting: budgets, performance indicators,

¹⁰ Law no. 273 of 29/06/2006 on local government finance; Published in Official Gazette no. 618 of 18/07/2006

¹¹ Law no. 544 of 12 October 2001 on free access to public information, published in Official Gazette no. 663 of October 23, 2001

¹² Law no. 215/2001 on local government. Published in Official Gazette no. 204 of April 23, 2001, amended by Law 286/2006

¹³ In the sixth chapter

¹⁴ Law no. 273 of local government finance 29/06/2006 Published in Official Gazette no. 618 of 18/07/2006

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budget, annual balance sheets, etc. Therefore, we analyzed their presence on the municipal Web sites in Romania.

3. Budgetary information

Governments are required to provide budget information according to Law no. 544/2001¹⁵ on free access to public information. It is normal for people to know the city budget revenues and expenses. In this respect, to deepen this study, we searched the Web pages for information about municipal budgets on projects and plans developed.

4. Interim financial information

Public entities are required to provide annual financial information. Nevertheless, it seems normal that a public administration should provide financial information at least quarterly. This study analyzed this aspect.

We are justifying this initiative by relying on the need to equate the obligations of public sector to those on the private sector.

5. Information on financial indicators

In the public sector, Law no. 273/2006¹⁶ on local government finance, local authorities, emphasizes the obligation to collect indicators for the budgetary situation, the economic-financial and public service management. Therefore, in the present study we analyzed these indicators

6. Information on intangible assets

In the public domain, assets that generate profits cannot be regarded generally as intangible, but can reduce costs or improve services. Therefore, we analyzed information regarding spending on employee trainings, expertise, know-how etc.

7. Environmental information

Public dissemination of environmental information is not demanded by any regulation. Despite this, we analyzed if there is any information that would make reference to environmental management.

8. Information about corporate governance

¹⁵ Law no. 544 of 12 October 2001 on free access to public information, published in Official Gazette no. 663 of October 23, 2001

¹⁶ Law no. 273 of local government finance 29/06/2006 Published in Official Gazette no. 618 of 18/07/2006

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In the public sector, corporate governance rules are governed by the rules of administrative law¹⁷. However, it is not required to be disclosed as many aspects as in the private sector. In this respect, the study analyzed the presence of: organizational structure, minutes of meetings etc. on municipalities Websites.

Commitment to the citizens. The Government response

Government Ordinance no. 27 of 2002¹⁸ on regulating the resolution of complaints (as amended) is the one that establishes the legal framework for this instrument.

Despite the fact that local public entities are not required to develop these tools, but given that quality assurance and transparency in services is required to their existence. We studied if there is on each municipality Website a section dedicated to petitions.

Using the Internet for disseminating information

Legal provisions on transparency of decisions with direct application to the site¹⁹ monitoring reports created by Pro Democracy Association on Law no. 52/2003²⁰

Law no. 52/2003 provides a list with items that a municipality Website should contain:

- advertising the procedures of elaborating new rules, at least 30 days prior to submission for review, approval and adoption by the public;
- the publication of a notice will include explanatory memorandum, explanatory statement or essay on the need for approval of the draft act, the full text of the draft act, the time limit, place and manner in which those interested may send written proposals, suggestions etc.;
- establishment of a period of at least 10 days from the publication of the notice to receive written proposals, suggestions or opinions on the draft legislation submitted to public debate;
- publishing the public notice of a public meeting, at least three days before deployment. The notice will contain the date, time and place of public meeting, agenda;

¹⁷ Bălan E. 2008. *Institutiile administrative*. CH BECK, Bucharest

¹⁸ Ordinance no.27 of 30 January 2002 on the settlement of complaints, published in Official Gazette no. 84 of February 1, 2002

¹⁹ Law 52/2003, Chapter II - Procedures for citizen participation and associations legally established in the drafting of legal acts and decision-making process, Section 1 - Provisions for participation in the process of drafting regulations, Section 2 - - Provisions on participation in decision making - art. 6 to art. 12.

²⁰ Asociația Pro Democratia, Raport de monitorizare cu privire la aplicarea și respectarea Legii 52/2003 privind transparența actului decizional la nivelul administrației publice.

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- publication of the minutes of the public meeting, including the vote of each member, unless that was decided by secret ballot (including related archives);
- publishing the annual report on transparency.

Functional objectives of sites of public authorities

By the provisions of Law no. 52/2003 mentioned above, both public authorities and citizens can contribute to achieving the following objectives:

- initiation of two directions: participation in rulemaking and participation in decision making;
- creating a steady public information.



Figure 1. Bucharest City Hall Web site www.pmb.ro (accessed March 20, 2012)

Clearly, Web site development and administration contribute to improving the transparency of law enforcement decisions²¹. Through this, public institutions (local / central) optimize their relationship with the citizens, realizing the importance of their obligations to citizens by:

- informing the public on issues;
- consultation on draft legislation;

²¹ Law no. 161 of April 19, 2003, on measures to ensure transparency in the exercise of public dignities, public functions and in business, preventing and sanctioning corruption published in Official Gazette no. 279/21 approx. 2003

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- involvement in decision making and adoption of normative acts;
- increase knowledge and awareness of the rights conferred by law;
- increase accessibility to information on decision-making process;

Benefits of Local Public Administration reproduced as found by Pro Democracy Association ²²

What would be retained by government institutions is that, through their sites, it is easy to reach the following:

- maximize the benefits that government can get through the process of public consultation;
- better knowledge of the needs, desires of citizens and civil society in terms of local public services;
- prioritization of local public services according to the needs, requirements and resources;
- increase community confidence in local officials;
- facilitate the direct contribution of citizens in problem identification and application solutions, evaluation decisions and their effects;
- creating the means by which citizens can participate in public affairs.

Benefits for citizens

The main users of the sites are community members. They may benefit from the institution's Web page as follows:

- they have the opportunity to actively participate in the decision-making process;
- they can control and monitor the activity of public authority;
- they have the opportunity to attend a two-way dialogue, permanently, between local government, NGOs and citizens;
- the chance to contribute to the local community through improved reporting, collaboration and consultation among various stakeholders;
- the chance to support other citizens in solving complex problems facing.

²² Asociația Pro Democrația, *Raport de monitorizare cu privire la aplicarea și respectarea Legii 52/2003 privind transparența actului decizional la nivelul administrației publice.*

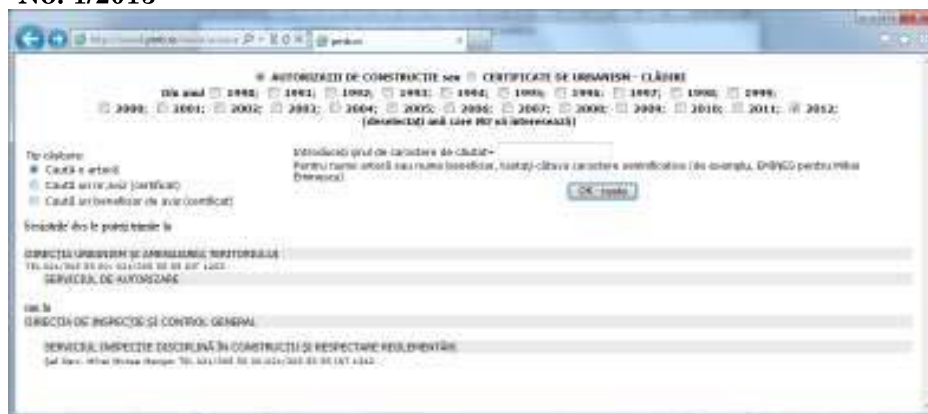


Figure 2. Section dedicated to resolving claims on the pmb.ro (accessed March 2012)

Conclusions

I have read studies²³²⁴²⁵ where transparency was criticized – it is true that it was about excessive transparency; I agree with that. If we look in the private sector and, more specifically, the stock exchange market, we see that all companies listed here have to offer investors the items mentioned in this paper. Furthermore, all securities transactions are made using existing computer platforms available on the Internet. However, there are exceptions: when an *authorized person* (broker authorized by the National Securities Commission - NSC) trades a *deal* (big quantities of stocks from a single issuer) and the rest of investors will know about that just after the transaction is completed. Is this a violation of the principle of transparency?

Some specialists from the public sector say *yes*, others²⁶²⁷ (opinion to which I subscribe), say *no*. Arguments are related to the actors involved and who can influence

²³ Grimmelikhuijsen, S. 2009. *Do transparent government agencies strengthen trust*, Information Polity nr. 14, IOS Press; pp. 173-185

²⁴ Mose Apelblat. *Does e-government reduce the risk for corruption?* Conference paper - http://www.google.ro/url?sa=t&rct=j&q=&esrc=s&frm=1&source=web&cd=2&ved=0CCgQFjAB&url=http%3A%2F%2Fec.europa.eu%2Fenlargement%2Ftaix%2Fdyn%2Fcreate_speech.jsp%3Fnum%3D17027&ei=Ky2iT_DmO8PP4Qsfm-TBCA&usg=AFQjCNHoH-B3014AhaoP50sYkSEdzmaiFQ

²⁵ Rebecca T. Mercuri, *Trusting in Transparency*, COMMUNICATIONS OF THE ACM May 2005/Vol. 48, No. 5, pp. 15-19

²⁶ Meijer, A.J. 2003. *Transparent government: Parliamentary and legal accountability in an information age*, Information Polity nr. 8, IOS Press.

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the decision. Nobel laureate Joseph Stiglitz said in his book *Making Globalization Work*²⁸ that as the President of the Council of Economic Advisers, body under the White House direct coordination, had the initiative to reduce coal consumption in industry. Lobbyists threaten to block funding for certain government actions if this will be possible and by that they blocked this initiative. The effect is easily to be deduced. Here is just an example, a situation that supports my position expressed here.

The chapter is focusing on the positive effects of transparency because they are more valuable than the sum of the negative ones. We saw that a higher transparency correspond to a higher responsibility. Dissemination of financial information such as budget, indicators and their achievement level, is leading to an increase citizen confidence in the institution as a whole. Very important is the interaction with people, I am referring here to petitions and other similar instruments, by which they seek to find answers to their questions.

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²⁷ Stiglitz, J.E. 2008. *Mecanismele globalizării.* Polirom, București

²⁸ Stiglitz, J.E. 2008. *Mecanismele globalizării.* Polirom, București