

# THE TRANSPARENCY OF THE LOCAL STRATEGIC MANAGEMENT THROUGH THE MUNICIPALITIES OFFICIAL WEBSITE

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## **Abstract**

The transparency of the strategic management of the Romanian county capital cities is constantly a topic of debate. It was discussed from the perspective of the public information access offered by the public institutions' official websites but also from the point of view of the openness of the administration towards the served citizens, bearing in mind the considerations on transparency provided by recent studies on the increasing access to information sources via the Internet.

Transparency was assessed not only from the perspective of mandatory legal obligations of the public institutions but also from the point of view of the need to design and implement into practice the strategic planning documents that would effectively involve the stakeholders as literature describes the area of strategic public management.

The study brings the supplementary argument of the more performing as well as more transparent administration theory, in historical regions once under Austrian domination compared to regions historically influenced by the Oriental empires. On the other hand, the transparency of the municipalities' strategic management closely relates to the importance awarded to stakeholders, on a second place being the size of the serviced community and the economic development level.

**Key words:** municipalities, transparency, e-governance, visibility, strategic planning.

**JEL Classification:** H70 State and Local Government - General

## **1. Transparency and citizen participation**

Transparency aims to ensure a wider access of citizens as well as of other actors involved in the public life to information and documents owned by the State institutions, to ensure their participation in decision-making process and to ensure the legitimacy, efficacy and governance of the administration. Even more, concept of transparency of the decision-making process taking part in the institutions concerns insuring access of citizens and stakeholders to documents managed by the State institutions as well as their consultation in adopting regulations. On the other hand, the organisational capacity of local governance involves openness, participation, as well as a sustained effort to strengthen the visibility and the transparency of the managerial act. The literature mentions four dimensions of the enhancement of the local governance transparency (United Nations Project Office on Governance, 2009): the structural dimension (legislation, policies and programmes, resources, assessment systems, the right of citizens to information), the dimension of human resources (professionalism, competence, leadership), the political dimension (citizen participation, cooperation with the business environment and mass-media) and the symbolic dimension (culture of inclusion and diversity). The public servants' degree of opening, and implicitly the institutions' and public authorities' degree of opening, on decisions and adopted actions as well as their ability or willingness to clarify the reasons of the latter, is a mere first step in reducing the information restriction for the public. An enhanced visibility of the governance act has multiple positive implications, among them mentioning: availability of documents facilitating the functioning of evaluation systems; facilitated orientation serving citizens' right to information; efficiency in information and knowledge exchange among sectors and institutions; modern method of communication with citizens and local community; consolidation of trust in order to create a culture of the community ownership by citizens.

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Local public authorities adopt various ways in involving stakeholders in policies drafting and implementation processes, as a valuable mean of improving the public policy quality, also consolidating the legitimacy. The employed technics vary according to the level of citizen participation. Rowe and Frewer (2005) speak of three levels: citizens communication in case the information is sent from the public institution to the community; citizens consultation, in case information flows from the public to the institutions follow processes initiated by the latter; and citizens participation, in case the information exchange between public and institutions take the form of a dialog. Transparency International (2004) divides the degree of citizen participation on several levels, although essentially we speak of the same process: public information is the basic level of such participation, the following being consultation, their participation in project initiation, the vertical being finalised with the eventual sharing of the decisional power by the public authorities with the public (“co-decision”).

The principles lying at the foundation of *Law no. 52/2003 on decision-making transparency* are harmonised with all citizen participation levels. Thus, the prior information, ex officio, is provisioned by the law for the public interest problems to be debated by the authorities of the central and local public administration as well as for the drafts of the pieces of legislation. For the second level is specified the consultation of citizens and of legally constituted associations in the process of elaboration of pieces of legislation. The active participation of citizens, in administrative decision-making is also well emphasised, requiring the fulfilment of several rules: the meetings of the public authorities and institutions making the object of the above-mentioned law are public, the debates will be recorded and made public, the meetings minutes being recorded, archived and published. The trend is to change the usual presumption of secrecy, and citizens are granted the legal right of access to documents without requiring to prove first a particular interest, the task of justifying the non-disclosure remaining with the authority.

The particularity of Romania regarding the local public administration traits is a result of the different background of the three historical provinces. The administration in Transylvania was strongly branded and radically changed during the Habsburg dominion. As Aurel Pop (2015), rector of the Babes-Bolyai University of Cluj-Napoca, a specialist in Medieval History, was mentioning in an interview, Austrians brought with them the order, the discipline, the cadastre form of property regulation, rules of cohabitation and sanction for violation of laws. Themselves were „disciplined, accustomed to obey authority and to fulfil their duty... They first imported a modern, bureaucratic administration such as it was in Western countries”. This characteristic of today’s public administration, in general, is still visible, and concerning the transparency issue, it is a question mark the present research is also trying to answer.

The means and techniques used by the administrations in order to connect to the citizens, to inform them, to consult them, or even involve them in the decision-making and respectively managerial act, must be modernised and consequently perfected in the “virtual”, area of Internet. In Romania there is noticeable concern for transparency and citizen participation, at least in the legislator’s perspective since 2003, when Law no. 52/2003 on decision-making transparency was adopted. Yet, as showed by recent studies, at least concerning the Romanian municipalities, the administration’s transparency and visibility is still „in the bud”.

## **2. Mayor’s offices transparency assessed by their official pages**

We consider important to reduce the number of the assessed administrations strictly at the level of the level of the county capital municipalities when analysing the aspects concerning the strategic management, considering that these cities represent poles of good practices for the county area they represent. Consequently, the optimisation of their visibility

will positively influence the administrations of other territorial administrations as well. The study aims to identify the factors influencing transparency in the local authorities communication with external stakeholders (including the served population), on issues regarding the locality's strategic management.

The purpose of research is to uncover the extent to which the transparency degree of the strategic management in local public administrations in county capital cities is influenced by a series of internal and external factors. The objectives aim to determine the transparency degree of the strategic management in local public administrations in county capital cities, from the perspective of their own internet page, to determine the influence of the degree of transparency on several external demographic and economic factors, and to determine the degree of transparency of factors from the institution's internal environment.

The research hypothesis are the following:

*Hypothesis 1:* The average transparency index of the development regions is higher in the central part of the country (within the Carpathian range arch) than the rest of the regions.

*Hypothesis 2:* The Mayor Offices of the municipalities have a higher transparency degree of their webpage as the community they serve is bigger and more economically developed.

*Hypothesis 3:* A higher degree of detail on their own site concerning strategic priorities, indicates an increased general concern for transparency on behalf of the municipalities.

The considered independent variables are: size of the served population, municipalities' geographical position, the economic development of the area of influence (GDP/cap.), and the degree of detail in strategic priorities.

The degree of transparency is a globalising index, subsequently named *the Transparency Index*, built based on indicators measuring various aspects of the transparency, namely: the existence of local development strategy; the existence of a section dedicated to publishing activity reports, announced activities, press releases, etc.; fulfilment of legal obligations regarding participation to the drafting of legislation; publication of the announcement regarding drafts normative acts projects; organisation and development of public debate (will be considered: publication on site of announcements regarding organisation of public debates; the form taken by the compliance required by the law to be brought to public knowledge concerning debates organisation; the ways citizens or associations may formulate suggestions or recommendations); existence of an annual activity report on authority's website; existence of a section destined to problems currently on the agenda of the institution; existence of a section for dialogue with the community; existence of data regarding local budget and budgetary execution account for more than 2 years. For index normalisation purposes, the interval 0-100 was chosen, values being calculated as sums of partial indicators, reported to maximum possible cumulated value, and expressed as percentage. In a similar way was constructed *the Index of Strategic Priority Degree of Detail*, based on the following items published on site: objectives, projects leading to objectives accomplishment, activities schedule, anticipated outcomes, resources, respectively methods of evaluation.

In order to obtain relevant data on the formulated hypothesis, and in order to cover an area of analysis as large as possible, quantitative and qualitative methods and instruments were employed. In a first phase we used documents analysis, in order to follow the phenomena of interest, meaning the direct traces left on the official sites of the public institutions included in the scope of the study. The method of choice advantages the research by facilitating a larger geographical coverage, allowing the inclusion in the study of all Romanian county capital cities. According to the information source, several categories of documents were considered: owned webpages (local development strategies, state institutions reports, public information provided by the institutions, correspondence with organisations and citizens, as well as institutions approach of official documents); The National Institute of Statistics – populations and habitations census, Volume I Population – demographic structure,

2011; and National Prognosis Commission: Projection of main economic and social indicators in territory until 2018, December 2015.

The second method, content analysis, allows transformation of documents in data. The employed technique aimed to identify the messages specific characteristics. If for the demographic and economic indicators the analysis was their mere record in the developed survey, the analysis content of official webpages of the municipalities and of the documents accessed in this area had a series of specificities. One of its forms applied the counting of the frequency at which are encountered the considered sizes and characteristics followed by a proper and suggestive coding of each aspect. Thus it was the case for the form used for informing on public debates results, allocating a number between 0 and 5, according to the multitude of the forms of communication used by the institution. In the case of items establishing superior and inferior positions, ordinal scales of coding were used with a maximum level varying from case to case. In most cases though in the documents were targeted the presence or absence of the considered aspects.

The quantitative instrument allowing the operationalisation of the content is the data analysis survey communicated by the authorities through their own sites, within the strategic management process. The analysis survey is structured in 5 main parts and comprises 16 items. The first part concerns aspects characterising the external environment of the institution, meaning the size of the served population, the geographical position, the welfare of the area of influence expressed as recent data of the GDP/capita indicator at county level. The following parts of the analysis survey are focused on the transparency concept, charted first from the point of view of the local development strategies for previous and present period. The third part refers to the data collection from external stakeholders (citizens, associated, private environment), in the process of drafting the legal documents. Fourth part targets the information collection through public debate for vision update, mission update and institution strategic plan update. The fifth part concerns the aspects regarding the authority's annual activity report (activity evaluation), institution's agenda, communication with the community (participatory democracy, participatory budgeting), as well as data regarding local Budget and Budgetary Execution Account for more than 2 years. As the research instrument uses only the online reading of documents by the researcher, the open answer items as found only in the section dedicated to municipality's external factors. Most aspects pertaining to transparency were inventories on a binary scale of Yes/No, to which filters were added and semantic differentiations on multiple choice scales.

The analysis survey was filled for each statistical unit by accessing the official webpages of the Mayor's Offices for county capital municipalities. Through this instrument a data base was created for quantitative research, statistically processed with Microsoft EXCEL software, in order to test the formulated hypothesis.

The mathematical and statistical research instrument uses the strength of the association between two variables and is expressed statistically by Pearson's correlation coefficient ( $r$ ) which does not involve, though, a cause-effect type of relation.

The value of  $r$  is determined by the following equation:

$$r = \frac{\sum (x - \bar{X})(y - \bar{Y})}{\sqrt{\sum (x - \bar{X})^2 \sum (y - \bar{Y})^2}}$$

where  $x$  and  $y$  are the two variables, and  $\bar{X}$  and  $\bar{Y}$ , their respective averages.

The determination coefficient is the one showing the effect of the variation of the dependent variable on the independent variable variation (Popa, 2008):  $R = r^2$ . Regression may indicate a cause-effect relation, the most usual being the linear regression, in the form of:

$$y = ax + b; f(x) = y; f: R \rightarrow R$$

### The research results

From the analysis of the official webpages of the Mayor's Offices of county capitals municipalities we determined that 73% of them post information regarding activity reports, announces actions, press releases, significant for a transparent management process. These practices are often encountered for the Centre Region, where all 6 county capitals municipalities are careful in publishing the activity reports, in announcing next actions, in making press releases, etc. Regarding the publication of the local development strategies on the official websites, there is a progress of 10% in the number of municipalities having meanwhile adopted this practice. If, for the previous period 67% of the Mayor's Offices had published their strategy during the current period only 23 % of them don't have this strategic document posted online.

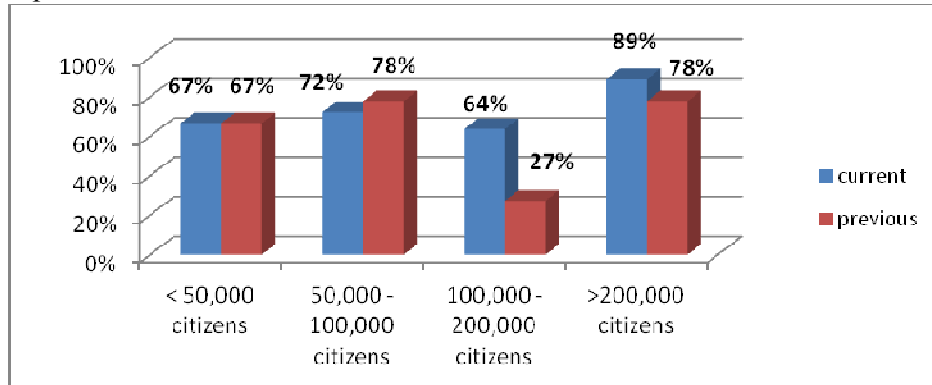


Figure no 1: Evolution of the local development strategies publication

The largest progress in the field of local development strategies was registered for county capitals municipalities serving a population of 100,000 – 200,000 inhabitants. Regarding the way Mayor's Offices use their sites in the strategic planning process in order to communicate and collect information from the external stakeholders, the most significant are the participation to the process of drafting of pieces of law and the organisation of public debate. Thus, 63% of the studied municipalities are communicating using their own website on a possible list of domains (priorities or problems) of local interest for which they intend adopting pieces of local legislation.

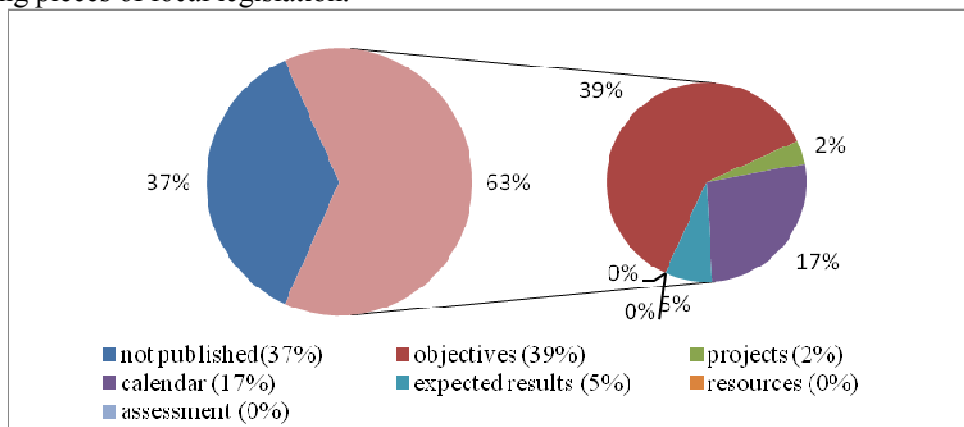


Figure no 2: Publication of the priority list and its degree of detail

Among these, 16 City Halls are limited to merely setting a list of objectives, while 7 municipalities take detail to the level of schedule. Only the city of Braşov refers also to the estimated results. Within the procedures of drafting of pieces of law, the situation is balanced, 56% of municipalities choose not to publish the announcement regarding this action on their

websites. A similar situation is present also in the case of the publication of announcements regarding the organisation of public debate (51%).

Regarding the ways used to make public the information required by the law following public debate, 24 of the studied municipalities do not publish the outcome on their website, 7 only publish the minutes, while Arad, Oradea, Braşov and Cluj-Napoca are also communicating the final version.

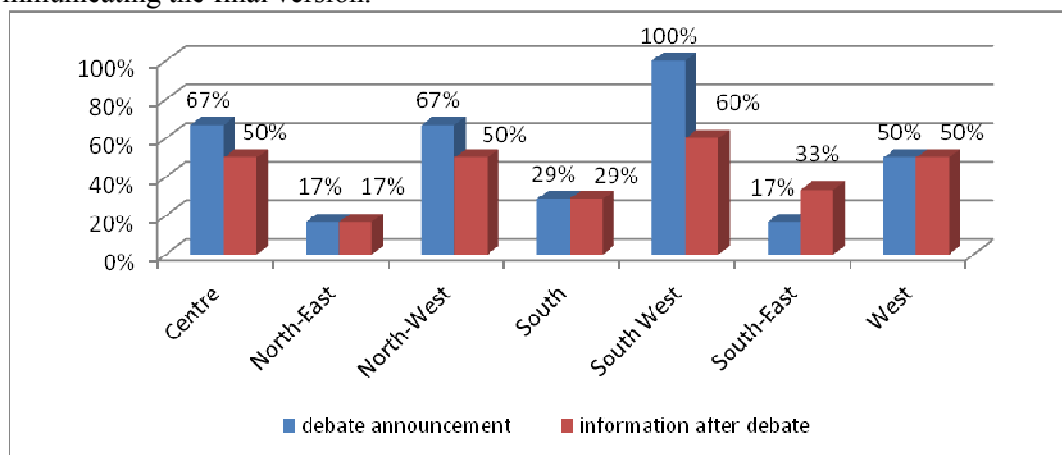


Figure no 3: Publication of information on public debate

From the point of view of their geographical position, the importance granted on the website to the organisation and development of public debate is manifested in a more important ratio by the municipalities of the South-West region, where all analysed Mayors' Offices are publishing online the announcements regarding debates. A particular situation is registered for the Mayors' Offices from the South-East region municipalities, part of them publishing only the ex-post debate information. Regarding the ways external stakeholders (citizens, associations, private companies, the academic institutions, etc.) may formulate suggestions or recommendations, 26 of the Mayors' Offices offer the possibility of transmitting information via website, while 3 of them only receive information at their headquarters. On the other hand, 61% of the studied municipalities have created a section of the website especially for community interaction. It has various names, among which we remind participative democracy, participative budgeting, community interactions. Regarding the ongoing problems, approximately 60% of the Mayors' Offices websites have a specially assigned section. Most sites contain the annual activity report of the Mayor/Local Council (83%).

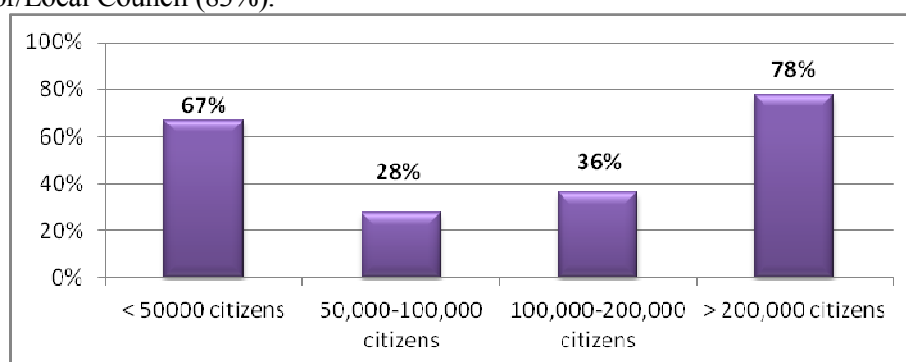


Figure no 4: Publication of the local budget for 2+ years

Regarding the resource component, in the case of 56% of the Mayors Offices there are data on the local budget for at least 2 years, an increased interest being registered in large localities, over 200,000 inhabitants (78%), as well as in the little ones, under 50,000 inhabitants (67%).

### Hypothesis testing

**Hypothesis 1:** *The average transparency index of the development regions is higher in the central part of the country (within the Carpathian range arch) than the rest of the regions.*

This hypothesis wanted to test the continuity of appreciations comprised in the theoretical part regarding the fact that the Romanian local public administration varies from one region to the other, fact resulting from the different historical background of the three historical provinces. The local administration of the development regions within the Carpathian range arch is, in fact, the administration of the former Banat and Transylvania, regions marked historically by the Habsburg dominion, the latter implementing since the end of the XVII<sup>th</sup> century a modern and bureaucratic western-like administration.

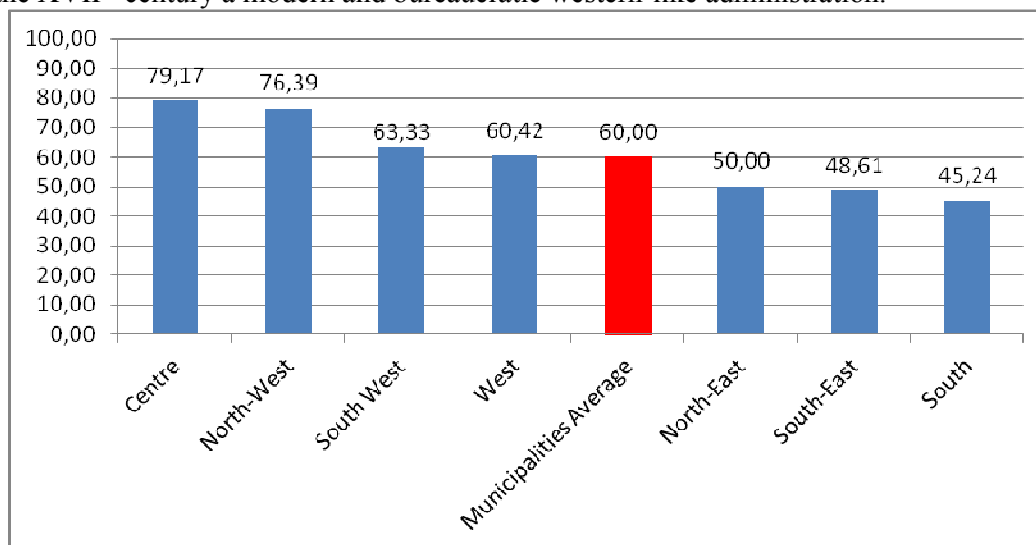


Figure no 5: Average transparency index of the development regions

The first hypothesis is only partially confirmed. Thus, all three regions, Centre, North-West and West, have a higher transparency index than the average county capitals municipalities, while three of the four outer regions, North-East, South-East and South, register an average index lower than the municipalities' average.

The only exception is the South-West development region comprising the counties Dolj, Gorj, Mehedinți, Olt and Vâlcea.

**Hypothesis 2:** *The Mayor Offices of the municipalities have a higher transparency degree of their webpage as the community they serve is bigger and more economically developed.*

For the testing of the second hypothesis the same Linear Regression Method was employed, the calculations being performed with the statistical calculation informational instrument of the EXCEL software.

a. The degree of association of the variable *number of inhabitants* of the city with the *Transparency Index* is low to moderate, the correlation coefficient  $r$  having the value of 0.29, and the determination coefficient  $R$  has a value of 0.09, which means that the *Transparency Index* is determined by the size of the community only in proportion of 9% (low effect). The regression curve is described by the equation:

$$Y = 8,91 \times 10^{-5} \times x + 48,38; Y:N \rightarrow [0,100]$$

b. The degree of association of the variable GDP/capita with the *Transparency Index* is moderated, the correlation coefficient  $r$  having the value of 0.32, and the determination coefficient  $R$  has a value of 0.10, which means that the *Transparency Index* is determined by the degree of economic development of the community only in proportion of 10% low effect). The regression curve is described by the equation

$$Y = 0,0053 \times x + 31,4; Y:R \rightarrow [0,100]$$

The second hypothesis is partially confirmed, the degree of association of the variables being in the moderate area and the influence's effect being low.

**Hypothesis 3:** *A higher degree of detail on their own site concerning strategic priorities, indicates an increased general concern for transparency on behalf of the municipalities.*

In order to test the third hypothesis the same *Linear Regression Method* was employed, the calculations being performed with the *statistical calculation informational instrument* of the EXCEL software. The degree of association of the variable *the Index of Strategic Priority Degree of Detail* with the *Transparency Index*, is high, the correlation coefficient *r* having a value of 0.63, and the determination coefficient *R* having a value of 0.39 (high effect), which means that *the Transparency Index* is determined by *Strategic Priority Degree of Detail on their own site* in a proportion of 39%, a dimension connected to the internal environment of the organisation, i.e. of the importance granted by the management to external stakeholders. The regression curve is described by the equation:

$$Y = 0.611 \times x + 42.68; Y: [0,100] \rightarrow [0,100]$$

The third hypothesis is confirmed, the degree of association of the variables being high and the effect of influence as well.

### 3. Conclusions and recommendations

By studying the degree of transparency of the county capitals municipalities on their own webpage regarding the strategic management, a series of conclusions are drawn, lying the foundations for further recommendations on the issue at hand.

Thus, it was determined that, although the argumentation regarding a more modern, more bureaucratic and consequently more transparent administration, in the historical regions once under Austrian dominion during Middle Ages is generally confirmed, the exception of the South-West development region (Oltenia), shows that this historical discrepancy can be recovered or even obliterated by implementing modern models and programmes, suitable to the local specificities. The study also shows that it is not the size of the community or its economic development as external factors, who decisively influence the transparency regarding the strategic management of the local authorities at city-level, but the internal environment factors. Thus, organisations that granted an increased importance to stakeholder-like collaborators (including the population they serve), showing a larger degree of detail in information and open channels of communication in the on-line environment, have accumulated superior points in general transparency. In other words, it is a matter of attitude and respect to the other actors involved in the governance process, an attitude coming from and determined by the organisation's management policy.

The goal of increased transparency, as premise for successful cooperation between all parties involved in the sustainable development of localities, may be supported horizontally by experience exchange among city halls and vertically, by a central level elaborated handbook, inventorying good transparency practices at national level, but also at European or global level.

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