



LOCAL GOVERNMENT BRIEF

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Of Modems and Men Installing E-government in the E-east

The aim of this issue of the Local Government Brief is to illuminate the (increasing) evolution, progress and promise of e-government in Eurasia and beyond. The possibilities are exciting: faster access to government services and public servants, lower costs for administrative services, greater public access to budgets and documents and a corresponding increase in the transparency and accountability of government activities. But with the promise of e-government also come challenges. For instance, in parts of the region, the "Digital Divide" threatens to deepen the chasm between the haves and the have-nots. Where the Internet is not available, the technological "know-how" untapped and incentives lacking, the concept of e-government seems highly impractical. All of these topics and concerns will be addressed in this LGB.

Traditionally, the interaction between a citizen or business and a government agency took place in a government office. With emerging information and communication technologies it is possible to locate service centers closer to the clients. Such centers may consist of an unattended kiosk in the government agency, a service kiosk located close to the client, or the use of a personal computer in the home or office.

Analogous to e-commerce, which allows businesses to transact with each other more efficient (B2B), and brings customers closer to businesses (B2C), e-government aims to make the interaction between government and citizens (G2C), government and business enterprises (G2B) and interagency relationships (G2G) more friendly, convenient, transparent and inexpensive.

How ICTs Can Serve Good Governance, How Good Governance Can Serve E-government and How Regional Cooperation Can Serve Information Society

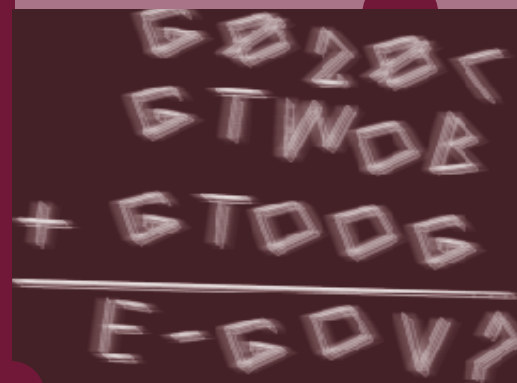
by Yuri Misnikov ‡

A new e-grammar for a new e-language

Thanks to the digital revolution, the language landscape in the field of development has begun to change and grow more complex—the "e," the short form of the adjective "electronic," can, in effect, be added to most major nouns, describing a virtually endless set of soci-

etal activities being performed at all levels, with "e-governance" sitting at the apex of this multi-dimensional pyramid. Good governance, or the capacity to govern democratically and effectively, is increasingly viewed as the key to a society's sustainable and equitable development. Within this context, e-governance holds the key to a society based on information and knowledge.

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LGI Journal

This article explores the given analogy between governance and society and e-governance and information society, probing the link between governance and e-governance. In the new digital grammar and language, are we to stress the "e" or the "governance"? These are not easy questions and clearly not just linguistic ones. To find some meaningful answers, we need to ask a fundamental question, namely: What governance we are talking about and are we speaking the same language? Looking first to the unfolding of the information society saga in today's world, and more specifically in our region, we seek specific answers to questions regarding the relationship between governance and e-governance.

Global e-chronology and real global actors

Ideally, the Internet and other Information and Communication Technology (ICT) tools offer an unprecedented opportunity for people to access information both over geographical distances and across sovereign state borders. Opportunities for networking and transparency are indeed unlimited, regardless of whether this is perceived as good or bad in the public view. Again theoretically, ICTs position governance systems and practices to become widely participatory and all-inclusive. Similarly, economic opportunities seem to be endless. But where are we situated, globally and regionally, along this hopeful road to democracy and prosperity? Will it be a fast journey with captured gains or a long winding road lined with missed opportunities? As usual, the answer will be: it depends on where and for whom.

Major global and regional institutions have recognized the looming reality. The International Telecommunication Union (ITU)¹ was among the first to announce this issue on the global agenda, proposing in 1998 to organize a World Summit on the Information Society (WSIS) for December 2003 in Geneva. The ITU Council reaffirmed this decision in 2000 and again in 2001 and 2002 at the Istanbul convening of the World Telecommunication Development Conference.

The United Nations' Economic and Social Council (ECOSOC), in turn, wel-

comed the idea of the Summit in its high-level ministerial Declaration on ICT. Finally, the United Nations General Assembly adopted Resolution 56/183 concerning the WSIS implementation process.

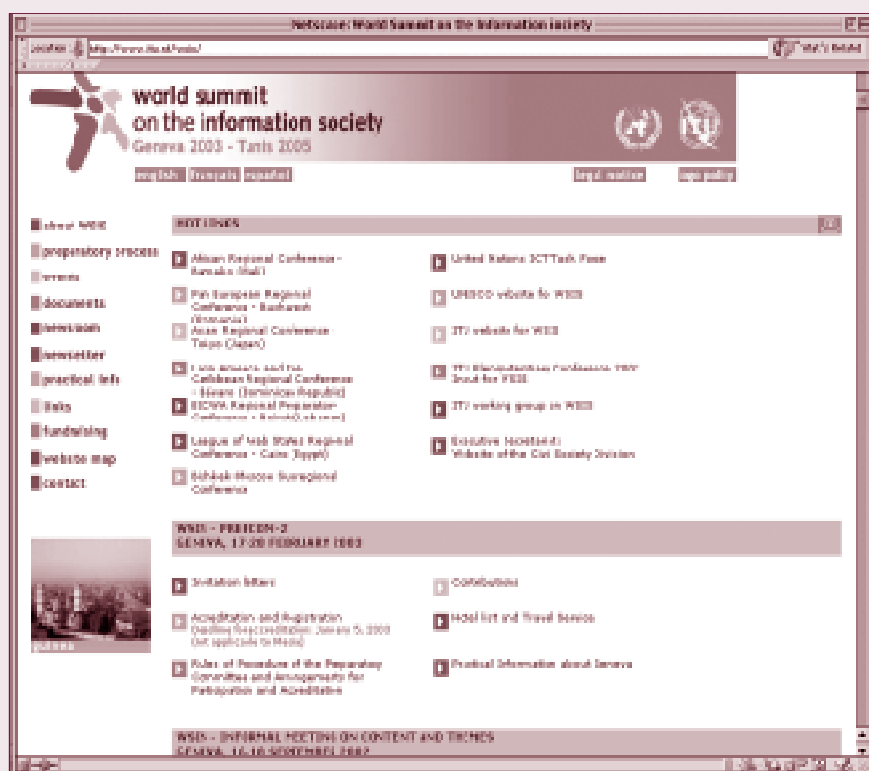
Regional e-chronology and real regional and sub-regional actors

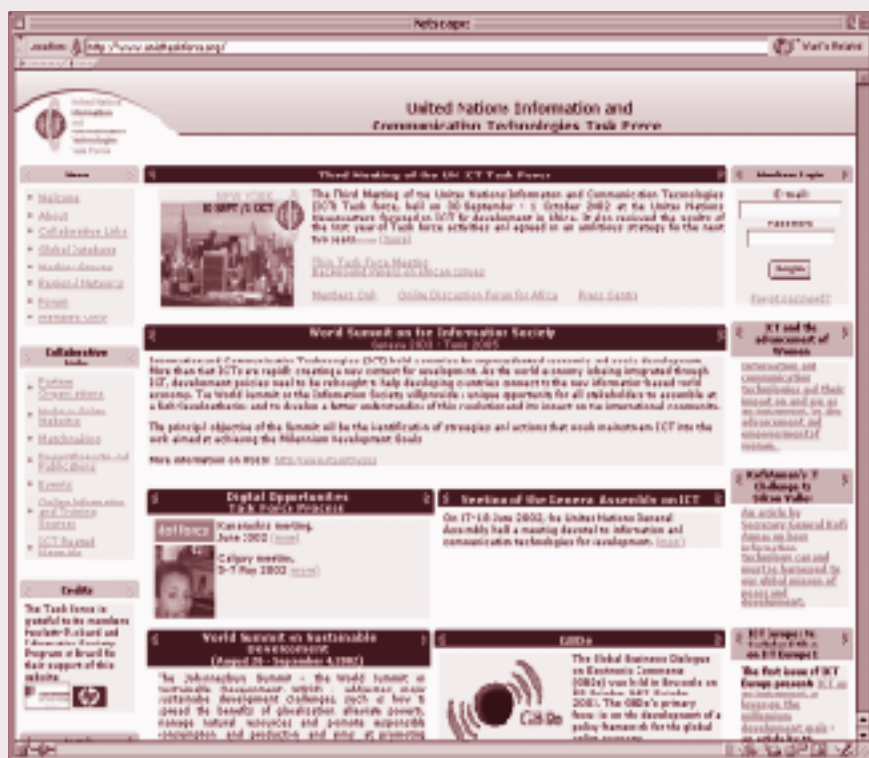
Meanwhile, having recognized the onset of e-reality, the European Union and the G8 group approved highly visionary strategies at their respective summits in Lisbon in May and Okinawa in July 2000. The G8 produced a strategic vision of information society in the form of the Okinawa Charter and a consultation mechanism through the establishment of the Digital Opportunity Task Force (DOT Force).² The DOT Force presented the conclusions of its work in a report and proposed a nine point action plan—the Genoa Plan of Action—which received the full endorsement of G8 leaders at their 2001 Genoa Summit. Implementation teams set out to work in areas such as developing national e-strategies, enabling access and connectivity, building human capacity, promoting entrepreneurship and detailing local content, corresponding to priority areas of the Genoa Plan of Action. A progress report was submitted to G8 leaders for

review at the Kananaskis Summit in June 2002 (Canada).

The DOT Force partners will continue to monitor the implementation of various initiatives to ensure proper linkages with other international initiatives, although it has already entrusted the UN ICT Task Force³ with oversight of strategic direction, policy coordination and advocacy in relation to the global agenda on ICT for Development. Policy discussions are not complete and must continue at the highest levels of government, the private sector and civil society if digital divides are to be transformed into opportunities.

While the ITU, the G8 and the United Nations have been busy developing theoretical visions and strategies, the leaders of the European Union have been involved in incorporating practical information society standards into EU-wide policies (also affecting the accession countries). At the European Council held in Lisbon in March 2000 leaders of the 15 EU states put forward their goal of making the Europe of the next decade "the most competitive and dynamic knowledge-based economy in the world."⁴ Three consecutive eEurope Action Plans have outlined and set benchmarks for the development of European Information Society.





Lessons of e-Europe

The eEurope initiatives have been both highly politicized and highly results oriented. The Union carefully tracked, monitored and evaluated the implementation of each Action Plan, using a comprehensive system of key indicators and benchmarking reports produced and submitted to leaders for review and further action. The deliberately detailed implementation of eEurope and the political commitment of the EU leaders to construct—and actually enforce—a knowledge-based economy and society “for the benefit of all” distinguishes the EU from other global, regional and sub-regional actors.

The positive effects of political will and enforcement through effective implementation benchmarking are perhaps the first lessons for other regions and states to draw from eEurope, but another overriding theme is that, ultimately, success is possible only through regionally concerted actions. It is unlikely that progress comparable to that of e-Europe could have been achieved by individual countries acting alone. Presented below are examples supporting regional and/or sub-regional coordination in meeting globalization challenges and suggesting that such an approach necessarily becomes an important force in building the information society—a sort of regionalizing globalization.

Questions to be evaluated

Impressive technological advances in the digitalization of information coupled with the ability of the Internet and related communication channels—both terrestrial and satellite, and more increasingly wireless and mobile telephony⁵—to disseminate and transfer information pose challenges to existing conceptions of competitiveness. The mere necessity of being competitive in the era of globalization is equally crucial for regions and countries in possession of weaker economies and emergent democracies as for industrial hubs like the EU.

Most countries in the CEE initiated ICT projects only recently—as late as 2002, at least two years after the implementation of the first eEurope initiative in the EU. Two years may not seem much of a setback, but the timeline is essential, given the sensitivity and high speed of technological innovations. The exceptions are few and remarkable—Estonia, Hungary and Slovenia among the accession countries.

These three countries stand out in recognizing ICTs as a national development priority. In the CIS, only Kyrgyzstan and the Russian Federation have officially approved a national e-strategy. While “Electronic Russia” seems to have been encouraged by the Russian Federation’s membership in the G8, Kyrgyzstan’s

National ICT for Development Strategy has been largely inspired by Estonian’s successful example and strong domestic support.

Looking to the region in view of the lessons of e-Europe, we might ask: (a) whether perceptions of using ICTs for constructing information society and of relying increasingly on knowledge are strong enough; (b) whether present governance systems are ready and responsive to add the “e” and ultimately dispose of non-transparent and undemocratic practices; (c) whether sub-regional divisions assist or obstruct collective, regionally coordinated actions; and (d) whether an information society built out of necessity can promote regional, sub-regional and international cooperation for expansion beyond the new EU of 2004.

The agenda for a sub-regional information society

A series of regional and sub-regional conferences—held within two months (mid-September through mid-November 2002) and under the auspices of preparing for the first meeting of the World Summit on the Information Society (WSIS)⁶—represents a remarkable development in inter-regional cooperation. At the WSIS countries can expect to adopt a declaration laying out a set of principles aimed at establishing a more inclusive and equitable Information Society and a Plan of Action formulating concrete measures to be enacted to ensure globally equitable benefits from the opportunities presented by an Information Society.

Also significant is that the preparatory conferences were held in close partnership among national governments (with the governments of Kyrgyzstan, the Russian Federation, Romania, Serbia and USA playing key roles), regional institutions (including the Regional Communications Commonwealth, CIS Executive Committee and eSEE Initiative), international organizations (UNDP, UN/ECE, ITU, Stability Pact for South East Europe, the European Commission), civil society (Global Internet Policy Initiative and Open Society Institute among others), and the private sector as represented by ICT and telecom companies.

Commonwealth of Independent States (CIS) and Turkey

During the Bishkek-Moscow ICT Conference in Kyrgyzstan and Russia in the autumn of 2002 participants identified major obstacles and appealed to governments and the international community to contribute to the creation of information society in the CIS and Turkey. The following problems were identified and agreed upon as most important:

- Substantial differences in levels of access to information resources between various social groups, rural and urban populations, women and men;
- Uncoordinated donor resources;
- Obstacles in access to telecommunication infrastructure, including access to the market for new operators;
- Outdated regulations in the telecom sector;
- Limited availability of statistical information on ICT markets;
- Lack of well-qualified personnel in the ICT area.

The Bishkek-Moscow Conference's definition of information society names technology as an instrument for achieving poverty reduction and general human socio-economic advancement. It recognizes civil society and the private sector as key stakeholders that must participate at all levels in decision-making (in local, national, regional and international processes). The Conference called on governments, civil society and the private sector to:

- Improve laws and regulations to facilitate the creation of information society, divide functions of state regulation and service delivery, assist in the application of universal service to communications;
- Provide free access to public information, facilitate the readiness of people to accept the conditions and opportunities of information society, ensure equal opportunities for information access for various age and social groups, including women;
- Stimulate development of the electronic economy by establishing electronic payment systems and electronic trade within and among countries, develop mechanisms to implement standards for document identification,

electronic signature and information protection systems, improve national intellectual property protection to stimulate innovations, create an enabling environment for small- and medium-size enterprises in the ICT area;

- Promote distance learning, build the capacity of human resources, preserve national cultures and languages by developing local content, promote multilingualism on the Internet, support research and educational centers in vocational training and re-training in ICT, protect children and adolescents from harmful Internet content and activities that may lead to unlawful acts abusing their rights and freedoms; and
- Encourage local authorities to implement ICT projects and apply new ICT-based services to public and economic affairs, develop a system for monitoring and evaluating information society readiness, undertake a comprehensive set of measures at the level of statistical bodies, ministries and agencies to improve the reliability and credibility of information describing the status of information society development.

International organizations and donors were called on to assist in providing access to the informational resources of developed countries, creating high-speed communication channels in the areas of edu-

cation and science, establishing national research and educational networks, creating a broad network of local public ICT access points, developing online language translators in needy countries and implementing small-scale, grant-based ICT projects. Most of these actions are planned for implementation by individual countries rather than as regional undertakings. Clearly, there is far more to be done at the regional level. This task has been entrusted to the Regional Communication Commonwealth (RCC), a highly effective and well-organized regional association that was established before the CIS itself. The RCC unites communications and post ministries representing all CIS countries and Turkey and includes Deutsche Telekom and Esttelecom as observers.⁷ The RCC has recently established a special body to deal specifically with this new agenda of information society and ICT for Development. This is a good sign, which should be supported in order to ensure consistent regional policies in the CIS.

South East Europe

An encouraging example of a distinctively sub-regional approach is reflected in the Electronic South East Europe ("eSEEurope") Initiative, inspired by the eEurope+ Initiative for EU accession



The three e's

E-government

policy coordination and implementation; delivery of services online.

➤ Developing citizen-centric programs

➤ Promoting and enhancing citizen participation

➤ Perfecting online service delivery through analysis and evaluation; measuring efficiency and benchmarking against other forms of service delivery

➤ Country indexing (performance measurement benchmarking): portal analysis; website analysis

E-administration

internal and public sector management component

➤ Strategic planning in transitioning to electronic delivery of services

➤ Quantifying cost-effectiveness of electronic service delivery

➤ Benchmarking and performance measurement

➤ Human resource management issues like training and recruitment, deployment of staff and maximizing existing resources

E-governance

facilitation of interactions between citizens, government organizations and elected officials including governing and policy-making process

➤ How technology (particularly the web) is transforming the governing process

➤ E-federalism: the changing relationship among the levels of government; and E-democracy: enhancing citizen participation online voting, issues of ethic, security and privacy, transparency

➤ Legislative and policy-making environment framework: policy initiatives governments are taking; the regulatory framework; implications of initiatives like recognizing the legality of e-signatures, greater citizen participation in policy-making environment (e-democracy)

➤ International implications: lowering of borders through information exchanges—impacts and consequences; international standards and best practices; information management and e-government

Source: United Nations, DPEPA, ASPA, *Benchmarking E-government: A Global Perspective—Assessing the UN Member States*, pp 54-55.

countries. eSEEurope emerged out of the Stability Pact for South East Europe Roundtable cooperation process and further support from UNDP. The Initiative was institutionalized through the establishment of the positions of eSEE Initiative Chairperson, eSEE Secretariat and the appointment of national envoys representing all participant countries.⁸

The envoys join UNDP, the Office of the Special Coordinator for the Stability Pact, representatives of Sweden and the UK and other experts in comprising the eSEE Working Group, which meets regularly. Through a special drafting process, this group formulated the "eSEEurope Agenda for the Development of the Information Society," a document spelling out a cooperative effort to implement the information society in South East Europe and officially endorsed by the eSEE Initiative governments at the above-mentioned Belgrade Conference.⁹ Prior to that declaration, the SEE countries had signed in July, at a Conference¹⁰ in Ljubljana, a joint Letter of Intent committing themselves to regional actions to contribute to improved democratic structures, economic progress, social cohesion and regional security by tapping into the potential of an information society. Thus, the formal endorsement of the eSEE Agenda in October built upon the spirit of cooperation among these countries, inspired by the potential

of an information society to lead to prosperity and full integration into the European Union. The entire process took just over one year from the EU candidate countries' launch of the eEurope+ Initiative at Goteborg in June 2001.

In the eSEE Agenda, governments recognize their special obligation to build an information society and commit themselves to undertake the following specific sub-regionally-coordinated actions in the domains of:

- **Organization**—through establishing an institutional framework for ICT-based society;
- **Legislation**—through introducing new legislative frameworks for ICT-based society;
- **Regulation**—through liberalizing and privatizing policies related to electronic communications infrastructure and associated services;
- **Promotion**—through encouraging regional-scale activities by civil society, non-governmental organizations and joint e-governance and e-learning groups.

The governments also acknowledged that building the information society:

- Is fundamental to the rapid development of the region, the reduction of the development gap between the region and the European Union, as well

as between the countries within the region and with the rest of the world;

- Is the only vehicle for seamless integration into the European Union, where the transformation industrial to information society is already in the advanced stages;
- Provides a foundation for confidence-building and closer cooperation within the region.

In addition, the Agenda outlines ambitious yet concrete and—most importantly—time-bound activities. It defines specific provisions and an organizational framework for its implementation, outlining the roles of the eSEE Chairperson, Secretariat and Working Group. For instance, the eSEE Working Group shall meet quarterly to review individual progress in relation to the countries' commitments under the regional Agenda, while ministerial level meetings will convene annually to assess the progress of required actions and to agree on the necessary steps for on-going implementation of the Agenda. Every government representative, by signing the Agenda, agreed to be monitored by and to facilitate the task of the eSEE Working Group.



Taking sub-regional stock...

Comparing the two sub-regional documents—the Bishkek-Moscow Conference Resolution and the eSEE Agenda adopted in Belgrade—one may arrive at the conclusion that substantively there is little difference between them in terms of understanding the critical importance of an information society. Both regions view it as unavoidable and essential for future prosperity, yet: (1) integration in the EU is a very powerful driving force for the SEE countries, (2) the information society is seen in the SEE sub-region as an important instrument for sub-regional cooperation and stability, (3) the SEE addresses the importance of regionally coherent and mutually-agreed policies, and (4) the eSEE Agenda employs a sub-regional mechanism for monitoring its implementation.

In other words, the sub-regional dimension in the SEE is key, while in the CIS sub-region, states implement the regionally agreed agenda themselves. The CIS sub-regional agenda does not provide specifically for implementation enforcement, monitoring or benchmarking. However, as mentioned above, the RCC has established a special body to address these issues regionally, suggesting that cooperation can be improved. However, the lower presence of regional and sub-regional mechanisms in the CIS does not imply that CIS countries have less regional ownership than those in SEE. First, the CIS includes more countries; second, integration into the EU has been and will continue to be a powerful factor in the adoption of the eSEE Agenda, while for the CIS intra-regional factors are more important than external ones. Nevertheless, the eSEE Initiative offers many lessons that could be adapted in the CIS region. To increase its global competitiveness, the CIS must explore the benefits of enhanced regional cooperation.

What is more important—clean water or ICT?

No country—rich or poor, large or small—can afford to ignore those gains that ICTs potentially offer. For poor countries this is even more pressing, given the leapfrogging opportunities available through modern technologies.¹¹ ICT for

Development (ICTD) and e-governance, coupled with smart and timely government-enabled policies, have the potential to reach development objectives faster and at a lower cost than conventional approaches.

One particularly strong opinion questions the very relevance of information society in circumstances of persisting poverty, lack of clean drinking water, widespread corruption, HIV/AIDS and other characteristics of developing countries that must be handled immediately. Without denying the vital importance of these and other problems, there is, nonetheless, only one answer—no one can avoid that which is unavoidable. The delay will simply cost more. Estonia is a remarkable case in point: while average income is still much lower than the European average, the country is ahead of some EU states in using ICTs, which grants it additional gains (not least of which is the country's improved position on the global investment and innovation map).

The importance of regional and sub-regional cooperation in promoting the philosophy of the information (and democratic) society grows even greater when considering countries lacking the resources to pursue this alone. There are not yet examples outside the EU of regionally coordinated implementation, but it is easy to suggest that the effects of networking and exchange of best practice will be even higher than at the

awareness stage, and also more cost-effective thanks to knowledge sharing and emulation of tested models.

Again about linkages between ICT, development and e-strategies

As the Digital Opportunity Initiative (DOI) report suggests, the debate over prioritizing ICT or other development imperatives should now reflect the need for a complementary approach. The DOI acknowledges that “although there is no ‘one size fits all’ approach, the experience of successful developing countries points to the need to avoid overly ambitious top-down approaches” and stresses the virtues of multi-stakeholder involvement. It outlines the following principles and strategic areas of action:

- Adoption of policies, actions and partnerships to leverage global opportunities.
- Formation of strategic contracts and partnerships to create consensus, undertake joint actions and address market failures.
- Adoption of multi-dimensional and multi-sectoral approaches to tackle critical bottlenecks and move discussions about policy and institutional change out of the narrow confines of particular sectors to the public realm.

One key finding is that when strategically deployed, ICT can trigger a



Factors impeding an enabling e-gov environment in developing countries

There are several core factors that have been identified in UN reports on ICT and have also been discussed in various forums advising developing countries in ICT and e-government projects.

Core Factors	Symptoms	Consequences
Institutional Weakness	Insufficient planning Unclear objectives	Inadequately designed system Cost over-runs
Human Resources	Shortage of qualified personnel Lack of professional training	Insufficient support Isolation from sources of technology
Funding Arrangements	Underestimated project costs Lack of recurring expenditure	Unfinished projects Higher maintenance costs
Local Environment	Lack of vendor representation Lack of back-up systems/parts	Lack of qualified technical support Implementation problems
Technology and Information Changes	Limited hardware/software Inappropriate software	System incompatibility Over-reliance on customer applications

Source: Knowledge Societies in United Nations, DPEPA, ASPA, *Benchmarking E-government: A Global Perspective—Assessing the UN Member States*, p. 22.

“development dynamic,” one that gains momentum as targeted steps are taken in such key areas as policy, infrastructure, human capacity, entrepreneurship and development of locally relevant content and applications. Returning to the Estonian example, the law on information society passed in 1998 represented the conclusion, rather than the start, of some four years of intensive implementation of ground-level initiatives focused on getting all schools on the Internet, creating public access points in all libraries and setting up local governments online. Now a new policy is being designed to reflect on what has been done and to map out the future.

What is next?

Once regional and sub-regional agendas have been clearly delineated, the next necessary step is regionally and sub-regionally coordinated implementation. First, implementation in terms of formulation of national e-strategies according to standards set by internationally agreed principles for information society, and then implementation of the very strategies themselves. With only a few exceptions, most of the region's countries are still at varying stages of the formulation/approval process. The delay seems to be a consequence of lacking regional cooperation to this end.

The implementation phase requires translating commitment into action at both levels—national and regional. The big challenge will be bringing national e-strategies into overall development and governance practices. Whereas governments traditionally guarantee a certain level of quantity, frequency, scope and quality of government services while citizens passively receive these services, the digital advances of the global information revolution challenge these conventional means of governance. The penetration of the Internet into the public domain accelerated technological progress, triggered by the ability of the Internet to disseminate information and eliminate borders and distances.

The PC has not changed the nature of government practices

The advent of the PC on a massive scale at the end of 1980s did not itself bring about any significant changes in the way government works. Rather, these might be attributed to the revolutionary process of extending the services that had emerged with the much earlier arrival of mainframe computers. In most countries, states established information systems linking government agencies and, especially, statistical branches, often upgrading to high quality fiber optic or satellite-based networks. The governments' priority was the founding of reliable voice-

based communication networks rather than a vehicle for data exchange, particularly in geographically vast countries such as Russia and Kazakhstan. Sometimes the creation of such communication networks coincided with the creation of reliable communications for businesses and investors in the oil and gas industry.

It is not yet clear whether governments have used or use these state systems to their full capacity (where available), either for internal communication or for communication with citizens. A real “digitalization,” complete with electronic document management systems, digital signature laws and interoperability, is still to come. Inter-agency/inter-ministerial communication still has a long way to go, much less government public services delivery and qualified communication with citizens.

Too many of the essential building blocks have been lacking—required legal frameworks, human and financial capital resources, political commitment and removal of behavioral barriers. Only perhaps the Estonian X-Road project,¹² which unites all sectoral databases with the help of a so-called service layer, represents an attempt to ensure the interoperability of government-held data. The actual use of these systems deserves a special survey.

A new actor: The revolutionary role of Internet-based digital network communities

Nothing really revolutionary happened until Internet penetration in the West exceeded the critical level of around 30 percent in late 1990s. This meant that many *de jure* “closed” corporate and state arenas became *de facto* public. Today, informal digital network communities are rapidly growing in number, scope and impact.

In fact, this is a new and rather effective form of self-organizing civil society. Civil society and IT business in the West have been the first to embrace ICTs, and they are taking full advantage of being “digitally” empowered, often more so than their own governments (as far as public policy is concerned). Will the countries of Central and Eastern Europe and Central Asia be followers? The safest



answer is "yes" for there is no other choice but to be ICT-savvy in addition to being responsive to changing times and the electorate.

Government as a service provider

ICTs offer a unique opportunity for governing elites to overcome the crisis of representative democracy, as ICT and the Internet empower civil society to play its role more effectively and facilitate the performance of governments' main function—serving the people who elect them.

Another hugely responsible service of any government is to respond to globalization challenges and establish conditions under which their citizens can benefit from the globally available information and knowledge. While wise policies may help position the country globally so that the benefits of information society are maximized and transformed into development fruits for all, inadequate policies will simply increase the overall development gap, which unfortunately exists for the entire region. Thus, the real choice is not about whether or not to aim policies at building an information society and using ICT to create development dynamics but about which policies are most workable.

Information society is about a society based on the effective use of information and knowledge, and ICT for Development (or ICTD) is not about technology but about development in its manifold and diverse manifestations and the people who use (or do not use) it to further their well-being. To UNDP, ICTD has deep roots in governance, is part of governance and has effects on governance patterns and practices at both central and local levels.

Similarly, governance systems are not neutral to ICTs; they either support or obstruct the application of ICTs for development. The era of the global information society, as brought about by the technological progress and globalization in trade and finance, challenges the way central and regional authorities communicate with their citizens and with the outside world; threatens the very survival of grass-roots communities and cultures; contests the way business is done and imposes upon

the personal and professional development of every member of society.

Good governance—the missing link

Governance, participation and inclusion stand to benefit enormously from the networking opportunities and access to relevant knowledge across distances. ICT can finally bridge local, regional and central governments, although only if there is genuine willingness to do so on all sides. In practice, it is impossible to separate the work of central government from overall governance practices. In this sense it does not matter much whether the central government provides nation-wide services or a grass-roots telecenter in a remote area serves local villagers.

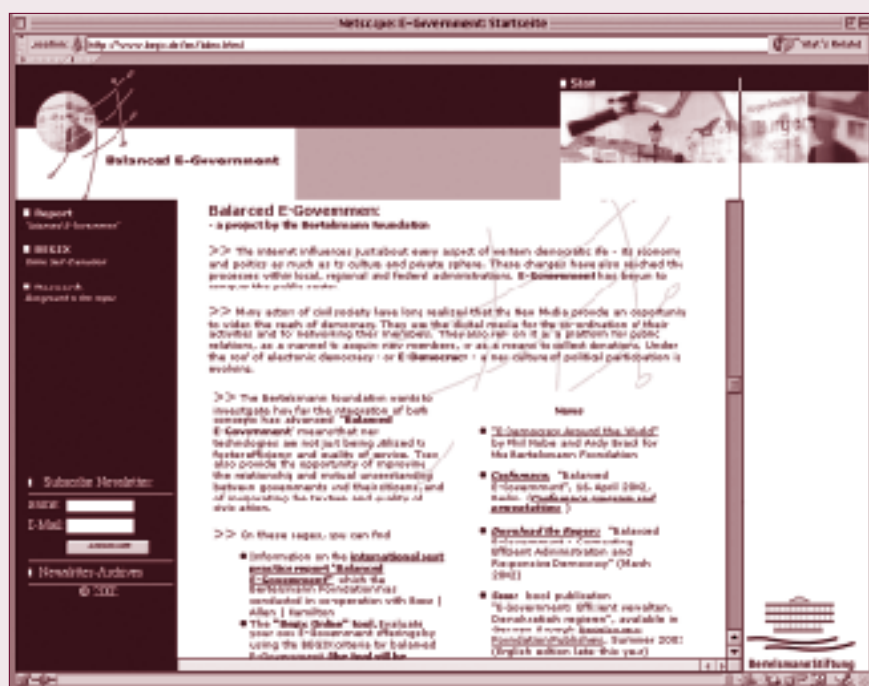
Let's take, for example, decentralization and self-governance practices. The central government cannot simply transfer property, functions and even resources to the local level without changing its own functions and responsibilities. Similarly, local governments cannot organize their work efficiently and responsibly without enabling nation-wide policies and legal frameworks on the one hand and without being supported by grass-roots communities on the other.

In the same manner, e-government cannot be taken out of the broader e-governance context. It is a challenge to the central government to put itself

under the scrutiny of citizens by making its work more efficient, effective, transparent and—most importantly—people-oriented, so as to enjoy enduring support for the central government development agenda. Theoretically, regions and communities may even feel empowered enough by ICT to lessen their dependence on government's centrally generated services and take advantage of access to knowledge, information and even resources country-, region- and worldwide.

E-government to link private benefit and public good

Equally, the central government may review its citizen services, retaining only those that are a clear public good, while outsourcing (fully or partly) to the civil society and private sector those that are either too expensive for the government to administer or that would simply be better and faster delivered by non-governmental organizations. From that point of view, e-government may ultimately mean smaller government. It is also possible that the concept of "small government" may be feasible only with the use of ICT. It has less to do with neo-liberal theories as such (known under umbrella of the so-called Washington Consensus) than with the transformation of government to prioritize public goods. The former are assumed to pay



more attention to private benefits than to public goods, theorizing that all members of society ultimately benefit from liberal economic policies and priority given to private interest.

At first glance, the concept of information society is incompatible with liberal economy, as it prioritizes such obvious public goods as justice, inclusion, human rights, transparency, accountability, equality and participation. These principles may be generalized as “sustainable development,” a concept which is, again, out of the scope of private interest. There has been significant debate over which is more important—focusing on economic fruits generated by the private sector or on human development, giving preference to the needs of the poor.

Good governance (including fighting against corruption and for greater transparency) has been identified as a “missing link” both in poverty alleviation efforts and equitable and inclusive economic growth. Its basis lies in good governance: strengthening the democratic foundations of society and diminishing the growing disparities among its members.

ICT brings both sides even closer by prioritizing partnerships between the state, business and civil society. Perhaps it is no accident that Estonia and Hungary, economically the most liberal countries with the highest level of foreign direct investment per capita, are at the same time the most ICT-advanced and regional leaders in economic reform. These countries also present the region’s most vivid examples of partnerships. The Estonian and Hungarian experiences clearly manifest the importance of the public-private partnerships, smart bottom-up strategies, involvement of all stakeholders, governmental support, capturing economic opportunities and enabling businesses, responding to the challenges of globalization, strong links to public services and a focus on public goods.

How great are the ‘e’ costs?

While myth prevails that all e-government/e-governance initiatives are costly, this is simply not true. For example, the average cost of the Hungarian telecotage (see the article on page 16) does not exceed 15,000-20,000 USD (includ-

ing operations), although the cumulative social and economic return is much greater.¹³ Many Estonian initiatives have been admittedly costly; for these, the government encouraged the private sector to provide funding and created the conditions necessary for that (e.g., passing the law on digital signature and creating the enabling environment for its implementation). Obviously, nothing comes free. There must be effort and certain investment made on the government side to create an effective e-government to provide direct value-added e-services for citizens.

A need for a new public service by government

E-government practices may fundamentally change public service and government’s business procedures. The importance of the development of access infrastructure cannot be overestimated. Governments must have clear strategies to address this problem. As mentioned at the start of the article, a combination of PC and mobile phones may offer enormous opportunities for networking. Whether the region’s governments are ready to follow this path remains to be seen.

There are indications that governments fully understand this: the final documents adopted at the previously discussed sub-regional conferences in Bishkek and Moscow reaffirm the governments’ commitment to building an information society. But the absence of consensus among all national political elites who missed any leapfrogging opportunities will undermine their countries’ ability to compete both regionally and globally, and the well-being of the citizens who elect them will inevitably deteriorate. Thus, the threat to the elected authorities comes not from action but from inaction, and this threat may challenge, in ten to fifteen years, the entire principle of representative democracy and relevant governance practices as they are known today.

There is also an understanding that the spread of the Internet-based civil society’s digital networks and communities is unstoppable in the region. The civil society sector, empowered by ICT, will be even stronger in the future, which poses a greater challenge to governments in terms of operational effi-

ciency than political stability. This challenge can be reasonably met only with the greater degree of democracy and participatory governance that ICT and the Internet can support. For the sake of societal balance, governments should begin, while it is wise and timely, switching to e-government practices to empower themselves through ICT. This is feasible, doable and, indeed, the only means of progress. Leaders should have forward-thinking strategies that represent the interest of all stakeholders to foresee new development opportunities and embrace them as they emerge.

E-government is...

The global digital revolution and the looming age of knowledge-based society and economy will serve as a test for many national elites: are they willing and prepared to lead their societies into the era of “new public management and responsive democracy,” as the Bertelsmann Foundation describes in its recent study?¹⁴ For the Bertelsmann Foundation and for UNDP, e-government is “a combination of electronic information-based services for citizens (e-administration) with the reinforcement of participatory elements (e-democracy) to achieve the objective of ‘balanced e-government.’” State and local institutions grant citizens more opportunities to influence public life by providing the ability to express their views electronically. At the same time, the Internet allows the public sector to expand its role as a client-oriented service provider. Modernization and democratization are two sides of the same coin: these must be carefully balanced and harmonized.

The region needs...

The region needs to focus on the following areas from the unified perspective of national governments, the telecom industry, relevant international organizations and financial institutions:

- Making a connectivity breakthrough, expanding networks outside large urban areas by creating Internet access points;



- Developing web-based online public and private services for the general public;
- Providing large-scale Internet and online service training for the general public;
- Identifying information and content needs of various end-users and generating local content for specific social groups, minorities, regions, entrepreneurs, farmers and communities;
- Encouraging the development of needs-driven and bottom-up ICT strategies within this framework, making telecom sector development a national priority;
- Reforming telecommunications' legal and regulatory frameworks to facilitate network expansion, lower tariffs, affordable Internet access, higher teledensity, faster application of advanced technologies (broadband and wireless), increased openness and competitiveness of telecommunication and information markets; and
- Creating and enabling a regulatory environment in the telecom industry.

Endnotes

1. <http://www.itu.int/wsis>
2. <http://www.dotforce.org>
3. In March 2001, the United Nations Economic and Social Council requested the Secretary-General to establish an Information and Communication Technologies (ICT) Task Force with the objective of "provid[ing] overall leadership to the United Nations role in helping to formulate strategies for the development of information and communication technologies and putting those technologies at the service of development and, on the basis of consultations with all stakeholders and Member States, forging a strategic partnership between the United Nations system, private industry and financing trusts and foundations, donors, programme countries and other relevant stakeholders in accordance with relevant United Nations resolutions." (<http://www.unicttaskforce.org>)
4. http://europa.eu.int/information_society/eeurope
5. The estimated 1 billion mobile phones worldwide has already surpassed the number of fixed-line telephones.
6. Two meetings of the Bishkek-Moscow Sub-Regional (for the CIS region) Conference on the Information Society; first phase held on 9-11 September 2002 in Kyrgyzstan (<http://www.ist.kg>, or <http://www.itu.int/wsis/events/bishkek.html>), second phase in Moscow, 23-24 October 2002 (<http://www.minsvyaz.ru>). A sub-regional South Eastern Conference on Policy and Cooperation in Telecommunications was organized in Belgrade from 28-29 October 2002 (<http://www.eSEEEuropeConference.org/agenda.html>). Finally, the Pan-European Regional Ministerial Conference held in Bucharest on 7-9 November 2002 (<http://www.itu.int/wsis/events/bucharest.html>, or <http://www.wsis-romania.ro>).
7. <http://www.caemc.ru/ecrcc>
8. Physically, the Secretariat is hosted by UNDP country offices in Bosnia and Herzegovina (Sarajevo), while the Chairperson is hosted by the Federal Ministry for Foreign Economic Relations and operationally supported by the Serbian Information technology and Internet Agency of the Serbian Ministry of Science, Technology and Development (Belgrade).
9. Albania, Bosnia and Herzegovina, Croatia, Federal Republic of Yugoslavia, Macedonia, Moldova, Montenegro, Serbia, with Bulgaria and Romania (members of the eEurope+ Initiative) participating as observers and supporters.
10. European Ministerial Conference on Information Society, 3-4 July 2002
11. More information on how ICT and development are interrelated can be found in the Digital Development Initiative Opportunity report prepared by UNDP, Accenture and the Markle Foundation (<http://www.undp.org>)
12. More information can be obtained at <http://www.riso.ee>
13. <http://www.telehaz.hu>
14. E-Government—Connecting Efficient Administration and Responsive Democracy. A Study by the Bertelsmann Foundation, in cooperation with Booz, Allen, Hamilton, 2001 <http://www.begix.de>, or <http://www.bertelsmann-stiftung.de>

E-Eastern Europe

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The changes sweeping through Eastern Europe in the past decade have been accompanied by the anticipation of reintegration into Europe and, more recently, the promise of joining the European Union. This article describes the evolution of e-government in Central and Eastern Europe, assessing the region's progress both in view of the demand of its own citizens and its aspirations toward membership in the European Union.

E-government in the countries of Central and Eastern Europe is conceptualized as an important component of information society development and corresponds to one of the main priorities of the EU. The pace of administrative reforms varies from country to country, with the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, the Slovak Republic and Slovenia set to take up membership in the EU by the end of 2004. Bulgaria and Romania do not yet fully meet the enlargement criteria but are expected to join by 2008.

In striving to fulfill the EU accession criteria and to adopt the EU regulatory framework, these countries have been able to accelerate domestic reforms in concurrence with their preparation for membership. In most cases, information society policies have been developed with the technical assistance and the financial support of EU accession and pre-accession programs. As a result, the information society policies of the candidate countries are to a large degree influenced by EU policy and practice. The e-Europe Report presented at the Ministerial Conference on Information Society provides examples of how national action plans have been influenced by the eEurope+ Action Plan:

- The Bulgarian National Program for Information Society Development adopted in 1999 was updated in the middle of 2001 to reflect the objectives and actions of eEurope+.

- In the Czech Republic, the targets of eEurope+ have been incorporated into an updated Action Plan by the State Information Policy, which was approved by the government in March 2002.
- Information society development has become one of the main priorities in Estonia's political agenda: its Information Policy Action Plan now serves as a model for all government agencies' proposals and sets standards calling for the elaboration of timetables, financing and responsibilities.
- Hungary's commitment to information society development is reflected by the funds (165 million euro) allocated to its National Information Society Strategy and Electronic Governance Program.
- A fundamental goal of Latvia's national program is to integrate Latvia into the global development process; as such, it has been updated to include the concept of e-Latvia, which is devoted to the inclusion of all information society development.
- Lithuania's Concept for Information Society Development was adopted in February 2001 and was supplemented in August with the adoption of the Strategic Plan for the Development of Information Society through 2004, demonstrating the development of information society as a priority in the program of the new government of the country.
- In November 2000 the Polish Council of Ministers adopted the strategic document "Aims and Directions of the Information Society Development in Poland," which elaborates the priorities of information society development in the country and the actions necessary for their implementation. In September 2001 the Council of Ministers adopted the document "ePoland—Action Plan for Information Society Development in Poland for the years 2001–2006," which follows the guidelines of the eEurope+ Action Plan and requires annual updating.
- The Government of Romania understands that an information society will have a positive impact on the Roman-

ian economy and pushes for the transition to information society to include: (1) the modernization of public administration and public services, (2) an improvement in quality of life through the implementation of information technologies in the areas of health, environment and transportation, (3) the development of an Information Technology sector and a work force suited for an Information Society, and (4) the adaptation of the educational system to include digital content. Additionally, it has initiated a national ICT Task Force.

- The Government of Slovakia adopted a policy for the development of an information society in June 2001 by declaring information society a national state priority. The strategy prioritizes the ICT infrastructure, education, e-government, e-commerce, research and development, and security and protection in the digital environment, including actions to be undertaken within the framework of the eEurope+ Action Plan.
- Slovenia established a Ministry for Information Society in January 2001, clearly demonstrating its commitment to the development of information society. In spring 2002 the Ministry prepared the National Program—"Republic of Slovenia in Information Society" as a policy document for public administration, economy and civil society.

Emerging e-government challenges and responses?

Although the pursuit of synchronization with the EU policy framework has initiated some legislative progress in the candidate countries, it has also proven a bit misguided, as governments often underestimate the specific risk factors stemming from the very different realities present in their countries. The 15 EU countries are positioned quite differently in relation to information society than are the Central and Eastern European countries (CEEC), especially as concerns citizens' access to technology, availability of funding for e-government initiatives, the willingness of governments to invest in change, the presence of corruption and

the training of administrative officials. The following discussion probes these challenges and offers local examples of how they might be overcome.

Digital divide

Even in most technologically advanced former communist countries, there remains a significant difference in the average number of households with Internet access between the CEEC and EU-15. People in former communist countries are more likely to use alternative access points to log on to the Internet—such as public computers in libraries, cybercafes or the office. Of the 1.1 million people with online access in Hungary, 390,000 use the Internet at work and another 420,000 access it from school. Under such conditions, governments must rely on a variety of data access channels: from postal mail to call centers to the Internet. However, if e-government is well planned, low rates of Internet usage may not stand as a barrier to its implementation. More promisingly, e-government has the potential to leave as a legacy the opportunity for more citizens and businesses to make use of the resources available on the Internet.

Funding

Public sector budgeting in developed Western countries provides sufficient financial resources for investment in large, visible e-government projects. In such projects, substantial long-term goals are defined, requiring innovative technologies and additional funding. Yet even in the most developed countries, large projects and complex initiatives are prone to failure. The Organization for Economic Cooperation and Development advises that governments avoid these types of projects altogether, opting instead for smaller, more manageable projects. Financial resources in the post-communist countries are considerably lower; these governments need to be especially mindful of the profits their investments in e-government return.

It is useful to concentrate resources on specific targets, so as to expend what limited financing is available in the most efficient manner possible. Many of the post-communist countries there-



fore direct their efforts toward practical applications, such as providing a better economic environment for small- and medium-sized enterprises (SMEs) or highlighting anti-corruption campaigns. SMEs are considered to be the primary source of employment and competitiveness in the modern economy. They generally depend on the administrative services of government to a larger degree than do corporations; improvement in the relationship between SMEs and government should have an overall positive effect on the general economy. Many of the countries in the region have run e-market experiments as predecessors to e-procurement.

For example, a governmental e-procurement system (<http://www.e-licitatie.ro>) was officially launched in Romania on March 4, 2002. Its installation mandated 400 public institutions to use the system and established ten categories of products, which these institutions may acquire only through the e-procurement system. The system is already in use by over 5,000 registered customers (568 contractors and 4,658 suppliers), and more than 1,500 bids have been closed. Another 800 bids are open at this moment. Use of the system provides reductions of up to 51.2 percent of acquisition costs, with an average savings of 27 percent when compared against the same number of transactions performed in the traditional way in 2001 and early 2002.

Political will

E-government is an expensive tool requiring strong and enduring political will. Without the active commitment of government leaders, states are not assured the allocation of financial resources, the adoption of an appropriate legislative framework or even the most basic human investment in planning and implementing e-government. One strong indicator of political will is the degree of involvement of high level decision-makers in e-government implementation. In many cases, Central and Eastern European countries have encouraged this by establishing ministries or other specialized units to take responsibility for coordinating and managing the implementation process. In the Czech Republic, the Office for Public Information Systems develops and

monitors the progress of information systems for public administration. A Coordination Center at the Council of Ministers was established by UNDP in Bulgaria to oversee its e-government activities (<http://www.ccit.government.bg>). A "Group for Promotion of Information Technology" (ICT Task Force) was established at the top political level in Romania. It functions as a task force led by the prime minister and counts seven ministers of the Romanian government among its members.

Furthermore, governments in these countries have been applying information technology in the process of high level decision-making itself. The e-Government Portal of Croatia enables "paperless" government sessions by offering electronic documents and Internet technologies. Similarly, information system innovations have allowed the Estonian government to cut the time it spends in ministerial sessions from an average of 90 minutes to one hour. Coupled with the use of digital signatures on official documents, they have virtually eliminated paperwork. Bulgaria is planning to implement such a system in its Council of Ministers soon.

Administrative capacity

The administrative model in the post-communist countries retains to some degree the legacy of centralization. Under communism, the administration managed the whole of society and the economy. One of the biggest challenges to the administrations of the post-communist countries is the transformation of bureaucratically-centered administrative procedures to customer-oriented services treating individuals and businesses as consumers. E-government lends itself as a powerful tool to this process, as it represents the potential of methodology and technology to catalyze such revolutionary change.

Despite this tradition, for example, in 2000 the Federal Computer Week described the government of Bulgaria's portal as one of the best digital government portals facilitating interaction between citizens and government officials. The site provides citizens with the opportunity to discuss government policies and to send their questions and

comments and "receive answers from the ministers who oversee the departments fielding the queries." Other countries in the region have also embraced a customer-centered vision of e-government and e-administration. The Hungarian government portal (<http://www.ekormanyzat.hu>) provides information services that are organized according to life's "key events," a term used to organize citizen services around the demands of daily life.

A major threat to e-government development in the post-communist countries lies in the lack of modern project management skills among administrators. The fact that it is growing increasingly difficult for governments in Central and Eastern Europe to hire skilled and experienced managers for ICT-related projects is cause for great concern. One possible solution is the outsourcing of administrative capacity to the private sector, along with technical contracts. This approach is relatively new for EU members as well. To cite one case, the French Ministry of Defense chose not to develop expensive internal competencies, thereby avoiding proprietary in-house solutions, but rather to contract a service provider experienced in e-marketplace solutions. The adoption of such an approach is possible in post-communist countries, but at the same time it would require improvements in the procedures used to procure services.

Many of the post-communist countries have long-standing traditions in the fields of engineering and technical science. Technical education and computer literacy are relatively advanced. Some of these countries have developed sophisticated information systems that service their administrations quite well. However, a variety of problems have surfaced in the last decade. The combined pressures of administrative service fragmentation, structural reorganization and public budget limitation have encumbered the development of e-government infrastructure. These countries also share problems stemming from the absence of common technical standards and comprehensive strategies for e-government development.

Together, these factors detract from the inter-operability of local, national and international information systems. Compatibility among systems requires the adoption of common standards, so as to enable the



E-governance index of EU, EU Accession and Non-EU Accession States

Country	Web presence measure	ICT infrastructure measures						Human capital measures			E-gov Index
		PCs/100	Int Hosts/10000	% of Pop online	Tele Lines /100	Mobile phones /100	TVs /1000	Human Dev. Index	Info Access Index	Urban as % of pop.	
Mexico	4	5.06	56.55	3.5	12.47	14.23	261	.790	.750	74.2	2.16
Czech Rep	3.5	12.20	155.52	10.7	37.79	42.42	447	.844	.916	74.7	2.09
Estonia	3.75	13.52	284.25	25.6	36.33	38.70	48	.812	.916	68.8	2.05
Poland	3.5	6.89	87.66	9.1	28.24	17.40	413	.828	.916	65.2	1.96
Russian Fed	3	4.29	22.22	10.1	21.83	2.22	420	.775	.333	77.3	1.89
Latvia	3	8.2	83.72	10.1	29.99	16.86	593	.791	.916	69.0	1.88
Turkey	3	3.81	10.64	6.2	28.00	24.56	286	.735	.416	74.1	1.83
Lithuania	3	5.95	48.14	7.2	32.11	14.17	376	.803	.916	68.4	1.81
Ukraine	3	1.58	7.09	0.4	19.89	1.62	490	.742	.500	67.9	1.80
Hungary	3	8.51	102.09	11.9	37.09	29.34	437	.829	.916	63.8	1.79
Slovakia	3	10.93	70.16	14.2	31.42	23.94	402	.831	.916	57.3	1.71
Slovenia	3	25.14	110.11	34.2	37.80	54.66	356	.874	.916	50.3	1.66
Mongolia	3	0.92	0.64	1.3	4.97	4.04	63	.569	.750	63.0	1.64
Romania	3	2.68	18.60	3.6	17.46	11.19	226	.772	.833	55.9	1.63
Belarus	2.5	3015	1.99	1.7	26.88	0.48	314	.782	.167	70.7	1.62
Peru	2.5	3.57	4.17	1.5	6.37	4.02	144	.743	.583	72.4	1.60
Armenia	2.5	0.57	7.57	1.1	15.53	0.23	217	.743	.500	69.7	1.59
Cyprus	2.5	19.32	117.62	15.8	64.72	32.11	167	.877	.999	56.2	1.50
Indonesia	2.75	0.99	1.26	1.2	3.14	1.73	136	.677	.583	39.8	1.34
Azerbaijan	2	0.45	1.99	0.7	10.36	5.56	254	.738	.250	56.9	1.30
India	3	0.45	0.35	1.2	3.20	0.35	69	.571	.750	28.1	1.29
Moldova	2.25	0.80	4.03	1.1	13.33	3.02	297	.699	.667	46.2	1.29
Kazakhstan	2	0.30	4.55	1.1	10.82	0.30	234	.742	.250	56.4	1.28
Guatemala	2.25	0.99	4.92	1.1	5.71	3.05	126	.626	.583	39.4	1.17
Turkmenistan	2	0.46	2.76	1.0	8.19	0.09	201	.730	.001	44.7	1.15
Uzbekistan	2	0.29	0.11	1.0	6.58	0.22	273	.698	.083	37.2	1.10
Pakistan	2	0.43	0.46	0.9	2.22	0.25	88	.498	.250	36.5	1.04
Nigeria	1.75	0.64	0.06	0.4	0.43	0.03	67	.455	.500	43.1	1.02
Kyrgyzstan	2	0.43	8.76	1.1	8.00	0.19	44	.707	.250	33.6	1.01
Tajikistan	2	0.28	0.44	0.2	3.53	0.01	285	.660	.167	27.5	1.00

Source: United Nations, DPEPA, ASPA, *Benchmarking E-government: A Global Perspective—Assessing the UN Member States*, p. 49.

exchange of information between different hardware and software platforms. Extensible mark up language (XML) is a valuable asset in this sense, as it establishes common informational formats and permits the sharing of data and formatting over the Inter- and Intranet. These features essentially motivated the founding of a national project called X-road, an initiative led by the Estonian Informatics Center under the Ministry of Transport and Communications. X-road is a system that provides the capacity for agencies and citizens to search for information in the majority of national databases through the Internet, provided they are legally entitled to do so. At the same time,

it enhances security by ensuring the proper treatment of all inquiries passing through the system and by excluding every possibility for data access misuse, as the system only retrieves predefined personal data. The system is being developed in connection with the national ID-card initiative, which offers assurances of personal authentication and secure transactions over digital communication channels.

Conclusion

From these examples, we see that the transition into e-governance requires

political reform as much as an advance in technological capacity. We observe that e-government seems more readily applicable in certain countries in the region than in others. We note that responses to the challenges presented will require flexibility, commitment and creativity. In the end, the application of technology to governance may serve as more than a mere consequence of democratic reform in the Central and Eastern European countries: it may prove a valuable tool in getting them there.



Bulgaria's Big Leap to a Single Click

by **Lachezar Yonov**

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Good news from Sofia on the development of e-government issues in the region: from 14-16 October 2002, Sofia hosted the South-East Economic Forum in Bulgaria, a benchmarking event designed to bring together major actors from the public and private sectors. Representatives from Microsoft Bulgaria, the eSEEurope Initiative and the Ministry of Information Society joined the Bulgarian Minister of State Administration in expressing optimism toward the development of pan-European and regional initiatives. Additionally, they noted the progress of national follow-up activities relating to the e-Europe+ Action Plans, eSEEurope Regional Action Plan and the forthcoming establishment of a Southeast Europe Telecommunications Agency (SETA).

Being at the same time EU candidate countries and members of the eSEEurope Initiative, Romania and Bulgaria are expected to play a leading role in copying the processes and activities of the European Union. The eSEE Agenda for Information Society has to be elaborated and adopted by October 2003 to keep pace with EU countries, and the clock is running. Starting from SETA's focus on telecommunications, the organization could construct a solid framework both for the enhancement of human capital development and for the exchange of knowledge and experience built on best practices.

In his address to the above-mentioned conference, Minister of State Administration Kalchev outlined the e-Government Strategy of the Bulgarian Central Government, stating the main goal in adopting this political document had been "to organize and support at the highest governing level the long-term process of implementing e-government." The Strategy describes the essence of e-government and its importance for society and sets strategic goals for implementing e-governance as well as for the future organization and management of e-government processes. This document has been integrated as

a basic element in the overall reform of Bulgarian state administration. The strategic goals of Bulgaria's e-government may be categorized in three ways, with regard to economic and social policies of the country and reflecting the specific nature of new information and communication technologies and their role in the country's development:

- providing quality, economically efficient and easy-to-access administrative services to citizens and businesses.
- expanding the technological opportunities for citizens and businesses to participate in government.
- creating an organizational, communication and information environment for efficient functioning of state administration with regards to the principles, norms and best practices of the EU.

A series of documents, tracing the road of e-government development, will be elaborated in order to achieve these goals. These will include a plan for implementing the Strategy, outfitted with immediate measures for quick results and projects of basic importance. Additional documents will introduce an information management system and a methodology for managing projects and procurement contracts, outline information security policy, set rules and regulations for inter-institutional data exchange, etc.

Although in its inception, e-government in Bulgaria is not as weak as might be expected. The "Global e-Government Survey 2001" report, published by the World Market Research Center, ranks Bulgaria 40th out of 169 countries, positioned similarly to Greece, Hungary, Spain and Poland. This is a relatively good "starting place" for the establishment of e-government in Bulgaria. 150 institutions in the country, including local governments and 90 percent or more of state governments, have an online presence.

The legal framework for establishing e-government has been supported by the adoption of national strategic documents related to government administration and an additional five laws regulating legal access to information and preserving citizens' rights and privacy, including a provision for digital signature. On the technological side, a high-speed optical network of the Metropolitan Area

Network type, comprising institutional LANs, has been created in the capital Sofia. It will be expanded to all regional centers in the country later in the year. So it seems that all the prerequisites have been fulfilled for the successful start of this process. Is there something missing from our "Strawberry Fields"?

Among the weaknesses of the Bulgarian environment for e-government are the lacking common legal framework, standards and architecture for integrated interaction between systems, weak coordination between projects and institutions, and the absence of an integrated informational and organizational state administration.

To this end, and rather more indicative of the long-term prospects for e-government in Bulgaria, comes news of the surprising resignation of the Vice-Premier and Minister of Regional Development and Public Works. At the beginning of November 2002 Mr. Paskalev resigned after a dispute with the Minister of Finance and reportedly out of long-term disappointment stemming from the continuous neglect of pre-election promises by the ruling party, especially as concerned local government issues (financial above all, and related to the appropriation of funds). After long public debate, the highly criticized Bulgarian central government budget proposal for 2003 was passed and approved at its first reading in Parliament, despite its having been disapproved by the IMF and completely rejected by all municipalities. The budget approval served as a breaking point for hopes of advancing local government issues critical for the future of good governance, as e-government would be, for example.

Obviously there are hidden pressures at work in the Bulgarian model of decentralization because, at present, municipalities are far from being able to manage without subsidies under the present economic conditions and legal framework, yet the Parliament still votes them into insolvency. The question is: how can these municipalities develop or modernize their information systems to meet European criteria when they do not receive even the financial support to sustain themselves? The digital divide in Bulgaria refers not only to people who have access to Internet and those who do not, but to central and local governments as



well. The future is far from clear, despite the undoubtedly good work and numerous efforts of institutions like Council of Europe, FLGR, NAMRB, OSI, USAID, the World Bank and others. At the same time, no one seems to be concerned with practicality, as is reflected by the ostensible de-emphasis on the efficient use of existing resources and available support relative to its importance for sustainable development, given the circumstances. This criticism is only intended to mean that the only chance for e-government at present is through external support, as self-funding is impossible. Local government cannot engage itself completely in the process, but could rather assist citizens by developing one-stop shops or negotiating public-private sector partnerships.



Ten years ago, Bulgaria was poised for the "big leap" forward. The heaps of paper used by bureaucrats to barricade against peoples' needs would turn with a flash into digital files, bringing anything needed in a single click. Many believed that with some foreign aid and the use of modern ICT, society and the economy would be quickly transformed, creating a transparent public sector and giving way to the accelerated development of local government.

At the end of 2002, Bulgaria is still notorious for its high level of corruption and is far from the notion of providing good governance. Apart from this, a greater number of municipalities are poor beggars, and SMEs are simulated only on paper while being strangled by real economic conditions.

Looking back to the great expectations of 1989, to the great ideas and large-scale international projects designed to bring profound societal and economic changes but that lost momentum or collapsed, wasting money and human effort, it would be fair to say that something was greatly misjudged. Much underestimated was the staying power of thought and action. Such false expectations turned Bulgarians once again into non-believers. In 1989, Bulgarians had to decide and change, and as quickly as possible. As a result, Bulgaria's performance today is far inferior to that suggested

by its human resource potential and the opportunities provided by its natural (historic and geographic) position—on the cross-roads between West and East, on the border between Europe and Asia. A specific Balkan mentality plays a tricky role in hindering development. This is twice as valid when applied to the use and implementation of modern ICT or e-government because e-governance requires a teamwork mentality, attention to detail, a high level of inter-institutional coordination and a readiness to share resources and information, factors not easily extractable from the present Bulgarian reality.

Psychological considerations concerning the use of resources are not to be

underestimated. Their impact is real, and they are critical to the success of any profound transformation, as the introduction of e-government would be. Bulgaria's next chance to join the community of advanced nations is real, but it could be misused unless something appropriate is done to counter the factor of human skepticism. The resources are there, if we learn to use them properly. SETA or other such institutions could prove valuable in conducting applied research and analyses followed by concrete recommendations and strategic measures.

Estonia's E-governance Center

Estonia is a leader in the introduction of e-government to Eastern Europe and the Newly Independent States. As such, it constitutes a natural model and serves as an inspiration to the other countries in the region. For this reason, UNDP, OSI and the Estonian Government have coordinated efforts to establish an e-governance center in the country. The center is organized to provide training and facilitate the exchange of experience in the areas of e-government and e-democracy, a field collectively termed "e-governance."

The center will initially focus on Central Asia and the Caucasus, as they seem at the moment best suited to benefit from Estonian experience. Later, however, the center will extend its offerings to other countries in the region. In the long term, its founders hope that it will establish itself as an EU institution, thereby constituting the Eastern European contribution to the Union's research and training infrastructure in this area.

The center's activities will include performing research; releasing publications; hosting study visits, conferences and summer schools; and serving in a consultative capacity. Although located in Estonia, the center will not rely exclusively on local expertise but will seek to involve top professionals from throughout the region and the world.

For UNDP and OSI, the center will constitute a resource serving the network of offices these organizations maintain in the region. The Estonian government, as an emerging donor, will benefit from the existence of a channel through which it is able to exercise its e-governance expertise while promoting itself as an e-country (E-stonia).

The center is expected to be operational from the beginning of 2003. UNDP and OSI funding (the Estonian government's contribution is primarily in kind) will extend over three years, after which the center should reach a state of financial independence.

For more information on the Estonian e-Governance Center contact Jerzy Celichowski (celichow@osi.hu).



Telecottages in Hungary

by Máttyás Gáspár and Tom Wormald

Mr. Gáspár, together with his family, is the founder and the promoter of the Csákberény telecottage, as well as the founding president of the Hungarian Telecottage Association Union (1995) and the first director of the Telecottage Non-Profit Company (1999).

For more information on Hungarian Telecottages, please write to Tom Wormald, tom_wormald@telehaz.hu

When there exists a world of information at our fingertips, it is problematic that there remains a large proportion of the world's population without the tools, be they technological or psychological, needed to access these valuable resources. With this in mind, Telecottages attend to the ever-increasing need for communal access to the facilities of the information society. The term Telecottage refers to a community teleservice center, i.e., a public service enterprise through which community members may access telecommunications, computers and the Internet and through which users are aided in acquiring and accumulating practice in handling the whole array of new communication accessories. Telecottages can succinctly be described as public service enterprises equipped with modern information and communication technologies serving the objective of allowing small communities to gain access to the infrastructure required to accomplish any task. Telecottages commonly rely on services offered by larger local enterprises to make the range of their services more extensive. Telecottages jointly provide the public, civil and business spheres with a wide array of services in Hungary, more than sixty in total.

- Telecottages are organized out of self-determination and local initiative with the aim of satisfying local needs, a "movement from the ground up."
- A majority of Telecottages depend upon external (foreign or domestic, mostly governmental but in recent times business) sponsorship, and this is the trend envisaged for the future. Communities themselves do not incur the financial hazards of the investment.
- The establishment and subsequent fate of a Telecottage becomes a communal issue embedded in local society and control. Most often, competition relegates the maintenance of Telecottages to local civil organizations, reinforcing the self-organizing, self-managing principles of local communities and local capital.
- The range of services Telecottages offer is characterized as broad and representative of a multitude of different sectors as well as open to new proposals.
- Telecottages serve the purpose of publicizing new developments in the information society, capitalizing on the power of the Internet to direct communal interest toward new developments taking place in the world.

The first rural telecenters were conceived in the library of Nagymagócs (Csongrád County) in May 1994 and in a restored cottage in Csákberény a month later. The Hungarian Telecottage Association, established in 1995, set the terms of the National Telecottage Strategy, which predicted significant growth in the presence of Telecottages by the year 2000 (it appears that this prognosis has proven correct, despite the minor negative fluctuation in the development of Telecottages). The first row of the table below represents the estimates made in 1995; the second row gives the actual figures attained. The expansion of the movement seems to be on the right track, given that the Hungarian national development scheme, the Széchenyi Plan, has accepted the movement and assisted its expansion.

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Predicted number of Telecottages	2	2	5	20	80	150	200	400	600	800
Actual number of Telecottages	-	-	-	-	20	50	100	300	600	1200

Today, Telecottages represent one of the leading elements of a domestic information society. Although a uniform set of criteria for assuring equal quality values has not yet been fully developed, the Telecottage Association, responsible for mainstreaming the various interests of the movement, and the Telecottage Non-profit Company, catering for the technical background of the movement, direct their joint efforts towards ensuring equal standards. The degree to which Telecottages will be able to exploit the possibilities facing them depends exclusively on the participants. There is, however, a tangible problem. If Telecottages fail to initiate a system of uniform quality assurance in the near future, fail to implement a managerial monitoring system and do not engage in the network system (electronic commerce, distance work, distance administration, distance learning), the possibility for doing so will soon be lost. A number of those Telecottages created with civil or budgetary considerations in mind lag behind in exploiting the network and adopting an entrepreneurial spirit. The time available for overcoming these hurdles is short. Local "missionaries" are faced with the difficulty of uncovering an appropriate strategy for the implementation of Telecottages on a local level, which seems to call for a newly devised plan on a settlement-to-settlement, community-to-community basis.

A word about sustainability

With the expansion and institutionalization of Telecottages (in both the economic and social interpretation of the term), will the non-profit orientation of Telecottages have to be abandoned? Will the process require sacrifice of the communal spirit for the sake of governmental and/or marketing interests? From one the social perspective, Telecottages were designed to meet community demands. Civil non-profit organizations and local government bodies have been supportive of the Telecottage movement since 1993, attempting to provide ever-growing financial means for its expansion. In this view, Telecottages could be promoted to the status of a nationwide project receiving funding from the federal budget, bound by a contract for public duties with the provision that Telecottages be responsible to maintain a basic level of services in the future. Furthermore, those fifteen to twenty specific public tasks appearing in the activities of Telecottages, from administration and teaching to local economic development, could provide a basis for supplementary normative aids or for contractual duties. From an economic standpoint, local development demands the collaboration of the community and social control, as well as the use of modern information and communication technologies. Telecottages are able to connect small regions, settlements and individuals (employees, entrepreneurs and people who sell and buy) to the digital economy. The Telecottage that provides public accession, teaching, incubation and other services can use its income to sustain its own operation and development.

Shepherding Electronic Sheep? Romania's New Governance

by Ovidiu Stoica, Lecturer in the Faculty of Economics and Business Administration, "Alexandru Ioan Cuza" University of Iasi

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Introducing e-government is a necessity in the contemporary economy. Its advantages are known, recognized and incontestable. For this reason, the question is not if, but how, to implement and promote e-government in transitional economies such as Romania's, taking into account the significant discrepancies between its capacities and those of more developed countries. These include both economic and social factors, not least of which is the relative absence of necessary specific habits and skills for the successful advance of technology.

The efficacy of e-government solutions differs according to the populations they address, whether citizens, businesses or legal entities. The sharpest challenge applies to reaching citizen targets, for, generally speaking and also in the specific case of Romania, public authorities are likely to favor business-oriented e-government applications over citizen-centered ones. Using e-gov-

ernment to conduct the business affairs of government delivers cost-effective, immediate impact and substantial savings for government actors (through e-procurement, for example). For the common citizen, however, it offers no direct gain. From the administrative perspective, automating business relationships carries virtually no risk. Furthermore, there is no need for investment in extensive publicity, as consumers are interested and advised users—at least relative to common citizens.

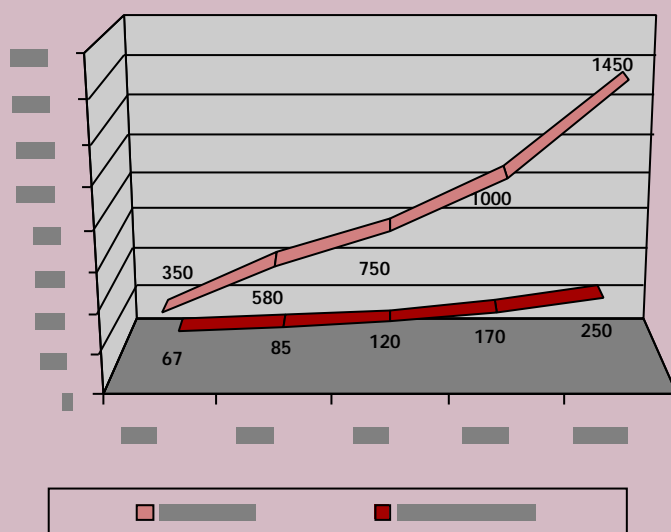
Conversely, applications addressing the general population presuppose that citizens understand the phenomenon of e-government and have expressed the will to accept it at the local level. It is clear from statistics however, such as those publicized by a study undertaken by GfK Romania (*GfK Internet Monitor*) in September 2002, that this is not the case.

- Only 13 percent of the Romanian population accesses the Internet, 6 percent at least once a week and 7 percent as occasional users.
- 33 percent of the Romanian population has never heard of the Internet.
- More than 50 percent of the population has heard of Internet but never used it.
- Only 4 percent of the population frequently uses the Internet for business or communication purposes.

From this, it is clear that for e-government applications representing local interest and focusing on citizens, success must not be expected very soon. Looking to statistical figures, efforts to introduce such forms of e-government in the short term will be nothing but disproportional to the results. A number of the factors hindering the introduction of citizen-centered e-government programs are related to Romania's level of economic development: it has relatively few computers, few telephone lines for providing dial-up access and even fewer Internet users. We should also consider here the lack of computer skills among a significant part of the population, a low penetration rate for electronic payment instruments and the weakness of institutions of public administration, especially local ones, in the area of information technology. In this context, it is important to note the quasi-total lack of regard for e-government at the local level. The only applications having impact are the compulsory ones, those "imposed" by law—like the e-tax, under which local authorities are obliged to create a functioning system for online local tax collection.

However, this is only the beginning; at this point it seems the local authorities realize neither the importance nor the complexity of e-government and the advantages it could bring. The number of well-advised persons in this matter is extremely low, particularly at the local level. The most appropriate example in this sense is the status of most local authorities' websites. Generally, town halls, county councils and prefectures mark their presence on the web through a simple site (sometimes infrequently updated or not particularly user-friendly) offering only general information, much of which is useless to someone who wants to solve a specific problem. A survey of the websites created by Romanian local authorities indicates that e-government in Romania today is in an elementary stage: the only notable achievements have been the founding of a few information centers for citizens. Even these would not qualify as interactive sites, as the most advanced among them offer drafts of application forms or explain the steps the citizens must follow to complete them without collecting feedback or allowing for online filing.

Figure1. The average number of Internet users (in thousands/week) in Romania in the period 1998-2002



* Estimations for Internet subscribers.

** Estimations for both the Internet users and Internet subscribers.

Source: *Capital IT*, no. 43, 24th of October, 2002, p. 35 and *Capital*, no. 36, 7th of September 2000, p. 23.



The strategy for developing e-government in Romania must consider the gap between central and local initiatives and e-applications. The most successful examples of e-government implementation in Romania have been the e-procurement and e-tax measures initiated by the Ministry of Communication and Information Technology. E-procurement has generated more than 20,000 transactions since its inception in March 2002, valuing more than 40 million euros in total. Through electronic procurement, participant public institutions have realized savings of hundreds of billions of lei. The recent introduction of compulsory e-procurement when purchasing medicines through national programs (like AIDS drugs) saved the central budget twelve million euros in just the last six months of 2002. According to the declarations of the Minister of Health, e-procurement saves her ministry eight billion lei each week. Additionally, the e-tax initiative may be considered a success from the perspective that it employs IT solutions—despite that its management is left to the discretion of each local authority. In this case, its initial impact, in the sense that it does not extend to a large number of users, may be discouraging at first.

The most important question is: what will happen if and when the central authorities cease proposing, projecting and imposing e-government applications onto local governments? The answer requires further research into the mechanism through which ideas concerning e-government gain the favor necessary for adoption at the local level. In theory, the local level is the optimal place for developing e-government solutions, for it is here that there is the greatest incentive for improving the lives of citizens (and maybe also for easing the tasks of public servants). Through experimentation with such e-government solutions, local governments stand to increase the efficiency and transparency of their interactions, reduce their administrative expenditures and increase citizens' degree of satisfaction.

In Romania today, e-government seems entirely useless or, at best, a luxury, to which the assignment of priority is discouraged by the low number of potential users. But satisfactorily inte-

grated e-government applications are only a few years away. Operating under a coherent structure, users (the citizens as beneficiaries) will grow more numerous and more experienced, eliminating the inapplicability of e-government, as the demand for it will increase. Figure 1 on the previous page reflects an encouraging trend.

We should also not forget about the substantial progress made over the last few years in the ICT sector:

- the accelerated development of mobile telephones in Romania surprised even the mobile phone companies;
- the number of bank card users increased very fast, especially as it became common for salaries to be paid through the card; and
- starting from 1 January 2003, the national identity card will be on smart-cards.

However, the realization of integrated e-government will first require resolution of some practical issues, including: the non-competitiveness of the fixed telephony market; the scarcity of Internet Service Providers; computer illiteracy among public servants; the unavailability of modern payment instruments in the electronic environment; and the inapplicability of electronic signature law. To meet these needs, the Romanian Government adopted on 1 November 2002 the National Strategy for Promoting the New Economy and the Implementation of the Information Society, which assigned priority to strengthening the national information infrastructure, developing ICT among industrial interests, providing large-scale access to Internet services and high speed networks for research and education and making ICT-appropriate training an essential component of human resource education.

However small a step this is, it is not entirely insignificant. Despite the reluctance of many to prioritize citizen-oriented e-government, the implementation of e-government, however small and however isolated, is not a choice but a necessity in today's Romania.

The Politika.lv E-democracy Experience

by Krista Baumane, publisher

<http://www.politika.lv>

The public policy website politika.lv was established in July 2001 by the Soros Foundation–Latvia with the overall goal of raising the quality of public policy in Latvia and with the more specific objectives of: (1) making policy resources available; (2) providing an environment for quality public debate on policy issues and (3) promoting the development of public policy expertise. The project is presently financed by the Soros Foundation–Latvia, the OSI Information Program, and the Local Government and Public Service Reform Initiative.

Resources

The resources available on the website presently address the following topics: policy process, social integration, rule of law and corruption, human rights, civil society, education and employment, information society and foreign affairs. Under these headings, politika.lv offers a selection of policy papers, expert reviews, policy documents (such as strategies and national plans), draft legislation, and annotated links to national and international Internet resources. The website also publishes op-ed articles and interviews, intended to stimulate debate on policy issues. These pieces serve as a link to more in-depth policy resources and to attract the attention of the more general "Internet public." There is a special section for the public policy community, featuring methodological issues in public policy, funding possibilities, conferences and events, and annotated links to policy institutes in Latvia and abroad.

Users

The target audiences of politika.lv are: (1) the public policy community (politicians, civil servants, the judiciary, policy experts, NGOs and advocacy groups) and (2) media and the general Internet public. The website receives over 60,000 pageviews a month (averaged over the last twelve months) and has reached over 90,000 users, a figure representing more than one-third of Latvia's Internet users.

Partnerships

Politika.lv positions itself not as a competitor to other on-line media but rather as a comple-



mentary source of in-depth resources. For this reason, politika.lv was able to establish valuable partnerships with leading commercial interactive media. These partnerships serve to promote the contents of the website in an effective and inexpensive way.

Real impact of virtual democracy

Our impact on policy has been both direct (through our work with the public policy community, particularly the government and the NGO sector) and indirect (via traditional media). Some examples of our direct influence are:

- Politika.lv regularly commissions experts and NGOs to review government studies, draft legislation and policy documents. In some cases, their recommendations have been enacted, while in others they have resulted in future cooperation on specific projects.
- Politika.lv offers information support to events organized by NGOs, often publishing speeches or presentations given at conferences as well as providing exposure for NGO viewpoints. In this way, the website has become an important information hub, or a “one-stop-shop,” where those interested in policy matters may come for information and NGOs may access a much wider audience than they might through their own homepage.

Politika.lv has had an indirect influence on policy via the print and broadcast media:

- Putting issues on the agenda: politika.lv identified a flaw in the electoral system that effec-

tively gave more weight to some voters than others, depending on their place of residence. This issue was taken up by a leading television program and brought to the parliament for comment and potential legislative revision.

- Serving the media by providing neutral and credible venue for debate: at the request of leading print and broadcast journalists, politika.lv established a special media critique section to monitor “hidden advertising” and ensure professional ethics in journalism during the pre-election campaign. In the absence of a strong professional journalism organization, this initiative contributed to the quality of media coverage of policy debate and political issues.

Shortly after the October 5th parliamentary elections, politika.lv called on influential organizations to submit proposals for the government declaration. Upon publishing these proposals, politika.lv organized a meeting between NGOs and the new government coalition to discuss the draft declaration. The meeting was highly productive, resulting in the inclusion of many of the suggestions in the final document in addition to a new chapter of the declaration devoted to government cooperation with civil society. We view this result as a positive example of e-democracy, where virtual efforts have had a tangible impact on the policy-making process.

Pioneers in Visakhapatnam City, India

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Although the mention of e-governance in reference to developing countries often meets with pessimistic reproach, the era of globalization necessitates the bridging of the gap between e-government leaders and the rest of the world. Those countries with poor electronic infrastructure require more attention so that they, too, might realize the concept of wired development. Moreover, due to various factors, including the fiscal constraints facing developing countries and large majorities living in poverty or depending on welfare services for survival, there is an urgent need to find efficient means of delivering state services.

Use of information technology, notably the Internet, represents one possible solution. At first, e-services might only be useful to citizens with access to Internet technology; but, over time, it is possible to incorporate those on the other side of the so-called “digital divide” into electronic service delivery (ESD). Even if a sizeable number of citizens in any municipality are covered by ESD in its early days of operation, gains for the whole community are likely, as pressure on administrative staff to prioritize services to the elites of the population may be reduced. The staff, relieved from giving undue attention to the elite classes, can be redeployed to service the poorer sections of society. There is no shortage of examples of successful applications of e-governance from developing countries around the world. The following is the profile of one such largely successful effort in e-governance by a city government, Visakhapatnam in India. Visakhapatnam may be considered a pioneer in e-governance on the grounds that in comparison to bigger cities in similar elementary stages of e-governance, Visakhapatnam (Vizag) has moved faster and is well ahead in adapting itself to the needs of its citizens. This pioneering e-governance experience provides an interesting example, as the



population of Visakhapatnam—1.2 million people occupying an area of 111.6 square kilometers—is similar in size to many cities in CEE and the FSU.

Framework of e-government

Vizag's e-governance efforts revolve around its web-based service delivery. The website is a joint venture between Net Savant and Vizag Municipal Corporation (VMC). While the websites of many other Indian city governments are designed and hosted by the National Informatics Centre (NIC), VMC's website is maintained by Net Savant. In this sense it can be considered a private-public cooperation in the electronic delivery of municipal services, the first of its kind in India.

Informational services

VMC's website guides a citizen step-by-step through many complicated bureaucratic proceedings. For example, the website outlines how to obtain a building permit, the time limit for granting or refusing an application, the requirements pertaining to various sites and buildings, security deposits, lighting and ventilation requirements, the procedure for mandatory inspections and the issuance of fit-for occupancy certificates. These rules, which are very much relevant for any proprietor of an existing building or one who proposes to construct a new building, are arranged in sequential order for simple navigation. This is all the more important in view of the fact that building sanctioning is an area in which many citizens have been delayed or misguided by street-level bureaucracy across the country. Secondly, it is possible to use VMC's website to track the status of the application once it has been filed. Similarly, computerization and connectivity have enabled Vizag residents to calculate the property and water taxes they owe from procedures made public on the website. This reduces both the number of trips made by citizens to the VMC to learn about the tax dues, remitting them and clarification regarding them and the scope of manipulation by the lower level bureaucrats who otherwise might harass citizens for pecuniary benefits. Lists of persons involved in the

account transactions, online banks accepting payment and contact add to the ease of online bureaucratic interaction.

Interactive services

The VMC website offers several mechanisms for interaction both with government officials and fellow citizens: comments to the city commissioner or mayor, feedback forms directed to appropriate officials (corresponding to the subject of the message), a citizen forum, civic polls and chat facilities.

Transactional services

Online payment of property tax, water tax, online registration of birth and death by individuals and hospitals and online registration of complaints and suggestions are available to users of the VMC website.

Certain transactional features require registration, which is carried out by completing a form online. Online payment is arranged through online banks, and the VMC website is presently featuring a free gift incentive to promote the use of this facility. Registering births and deaths also requires user verification.

Promotional services

In addition to the above services, VMC promotes issues such as rainwater harvesting, public participation in city sanitation and "greening the city." Thus the website may be viewed also as an effective venue for civic campaigning.

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World Watches Brazil's E-elections

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All over the world, governments are learning to apply information and communication technologies to improve the speed and quality of their interactions with citizens. In 2002 Brazil took to task the harnessing of ICT for the most basic of democratic activities—voting. In the first round of national elections, held on October 6, 2002, Brazilian voters took part in the world's first all-electronic elections. Their surprisingly successful implementation, as measured by the relative absence of technical difficulties interfering with voting, is an achievement for this populous democracy. In Brazil, the 115.2 million literate citizens between the ages of 18 and 70 are legally obliged to vote.

Prior to election day, 406,000 electronic balloting boxes were distributed throughout the country. The machines, roughly the size of a cash register, can operate independently of power and communication infrastructure, a useful feature when considering that many polling stations are located in rural areas lacking access to electricity or telephone lines. On election day, voters queued at polling stations as usual. To cast a ballot, the voter punched the numeric keypad with the code corresponding to the candidate she or he had selected. For example, the presidential favorite Lula was identified by the code "13." Casting a complete ballot required each voter to enter a string of 25 digits. After voting, citizens were offered a digital photograph of the candidate they had selected and given the choice of correcting or confirming the choice. This type of electronic balloting facilitates the voting process for the illit-

erate and the blind, providing an easily readable numeric keypad reinforced with Braille.

Designed to prevent fraud and corruption, electronic balloting procedures also reduce dramatically the amount of time required to process voting results. When the polling stations closed, the votes recorded by each machine were encrypted, digitally signed and registered on disk using flash memory. In each municipality, about 3 percent of the votes were checked against a paper printout to assure accuracy. After being removed under strict supervision, the data were transported to the nearest Regional Electoral Tribunal, where they were sent via satellite or dial-up line to the national Superior Electoral Tribunal for final compilation. The Tribunal was able to certify 70 percent of the results within four hours and about 90 percent by the end of the first night, while largely avoiding the corruption or human error attributed to manual counting.

Despite fears that the electoral process might not be entirely secure, the Brazilian Superior Electoral Tribunal declared it fraud-free, and Transparency International lauded the electronic ballot's contributions to the speed and trustworthiness of the process. Of the 406,000 electronic machines used, only 3,546 required substitution during voting, and of these, only 111 were disqualified. The only worrisome issue raised was one of procedure: voters complained repeatedly of long queues at polling places, which grew longer as voters checked and confirmed their votes.

At a cost of about 400 USD per machine, the electronic ballot has been introduced gradually across Brazil. The first electronic elections took place in 1996, when municipal elections in 57 cities were conducted electronically. By October 2000, municipalities across Brazil were voting electronically, and thus, the national elections discussed here required the addition of only 51,000 machines. On October 6, 2002, representatives from Mexico and the United States as well as IT chiefs from Venezuela and Japan, among others, were reportedly on hand to observe the world's first all-electronic national election, suggesting that electronic voting may be adopted and spread throughout industrialized and developing countries alike.

The anticipation of those observers seeking to make an example of Brazil's accom-

plishment should be accompanied by a word of caution: electronic balloting is considered an asset to Brazilian democracy in accordance with standards of transparency, accountability, privacy and accessibility. Where electoral applications of ICT are not developed consistently with these principles, the automation of electoral processes is unlikely to promote democratic values. For example, consider countries that, in contrast to Brazil, do not regard voting as mandatory. For voters in these countries, the long queues accompanying the detailed and thorough electronic balloting procedure may act as disincentive for participation. Furthermore, several advanced democracies are presently keen on the idea of extending the jurisdiction of polling stations into cyberspace. Like an absentee ballot, a citizen could opt on election day to register her vote via the Internet. In addition to the security challenges such an arrangement poses, proven discrepancies in access to the Internet ("The Digital Divide") threaten grave political consequences should such proposals be adopted. While IT strategies may lend speed and transparency to electoral processes, governments must be wary that they are not doing so at the expense of voter discretion, participation or access.

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E-Democracy Links, UK Government E-Democracy Report and more...

Over the last year, governments around the world have started to explore "e-democracy" policies and applications that complement their initial focus on e-government services. This is an important trend to follow and requires civic activity from the local level on up around the world. Below are some key resources to help you explore e-democracy-related issues.

1. New E-Democracy Links Flyer

A simple two-page flyer with links to the top "E-Democracy Resources" is now available in HTML, PDF or Word format. The flyer may be redistributed in print at conferences and other events. Access the flyer at:

<http://www.publicus.net/articles/edemresources.html>

2. UK Government Releases Major E-Democracy Paper, Host Online Consultation

The UK national government recently released a major paper on e-democracy titled, "In the service of democracy." This is the major e-democracy event of the year and will likely spawn similar policy development and e-democracy projects in other nations. To access the report and online consultation options, see:

<http://www.edemocracy.gov.uk>

To download the full 61-page, 1MB document in PDF, visit:

<http://www.edemocracy.gov.uk/downloads/e-Democracy.pdf>

3. Democracies Online Newswire – E-mail Announcement List

Now with 2,500 members, DO-WIRE is the place for primary source announcements related to democracy, politics, government, and information and communications technologies. Since 1998 this moderated e-list has focused on the use of ICTs in governance and community (not on the politics or regulation of technology). To subscribe (no more than seven messages a week) to this free public service, visit:

<http://www.e-democracy.org/do>



Policy Guidelines for Practitioners

What E-Government Means for Those of Us Who Cannot Type

by James X. Dempsey, deputy director of the Center for Democracy and Technology, a Washington-based NGO promoting democratic values and human rights in the field of digital communications technologies. He is also policy director for the Global Internet Policy Initiative (GIPI), a joint project between CDT and Internews working in developing and transitional nations.
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E-government is the use of information and communications technologies (ICT) to transform government by making it more accessible to citizens, more effective and more accountable. E-government by this definition does not mean putting more computers on the desks of government officials. Rather, it concerns the relationship between government officials and citizens. It includes:

- providing greater access to government information by making laws, draft laws, regulations, forms, and economic or scientific data collected by the government accessible online;
- promoting civic engagement by enabling the public to interact more conveniently with government officials, such as by obtaining permits or filing required documents electronically;
- increasing government accountability by making its operations more transparent, thereby reducing the opportunities for corruption to infiltrate; and
- supporting development goals by lessening the time and expense small businesses encounter in their dealings with government and by providing rural and traditionally underserved communities with information and communications capabilities.

E-government is not a phenomenon limited to the richer countries. Indeed, some of the most innovative uses of the

Internet in governance are appearing in the developing world, as ICTs are increasingly being used to streamline government and connect it more closely with the people it is intended to serve.

Recently, the World Bank's infoDev program supported the Center for Democracy and Technology in compiling an e-government handbook. The goal of this undertaking was to offer concrete guidance to government officials and others in transitional and developing countries, presenting for the first time a comprehensive index of e-government models and resources based on success stories from transitional and developing countries. The handbook presents a roadmap—in fact, a compilation of roadmaps—for policymakers considering electronic government as a mechanism for reform. It is available from the website: <http://www.cdt.org/egov/handbook/>

E-government does not simply materialize because a government buys more computers and puts up a website. Nor is it sufficient merely to automate administrative practices from the paper world. Rather, e-government is a process of transforming government; as such, it requires planning, political will and a sustained dedication of resources. Neither the purchase of more advanced technology nor the automation of complex procedures can bring about greater effectiveness in government or increased rates of civic participation. Technological innovations will not change the mentality of bureaucrats who do not view the citizen as a customer of government or a participant in decision-making.

The three phases of e-government

The process of e-government may be divided into three phases. These phases are not dependent on each other, nor need one phase be completed

before another can begin; but conceptually, they offer a framework for thinking about the goals of e-government.

Phase 1—Publish

Use ICT to expand access to government information. Governments generate a large volume of information holding importance for individuals and businesses. The Internet and other advanced communications technologies can bring this information quickly and more directly to citizens. Strategies for implementing the "publish" phase of e-government diverge widely in design and content, but generally transitional and developing nations can initiate the process of e-government by publishing government information online, beginning with laws, rules and regulations, documents, forms, statistics and economic data. Enabling citizens and businesses to readily access government information without having to travel to government offices, stand in long lines or pay bribes can be a revolutionary advance for nations wracked by inefficient bureaucracy and corruption. One element of the publish phase may be the creation of a government portal, such as that of the Mexican government, offering one-stop access to various websites and informational resources.

Phase 2—Interact

Broaden civic participation in government. Published sites, however rich in content, are just a first step. E-government has the potential to involve citizens in the governance process by engaging them with policy-makers throughout the policy cycle and at all levels of government. Strengthening civic engagement contributes to building public trust in government. Interactive e-government involves two-way communication, starting with basic functions like offering e-mail contact



information for government officials or feedback forms that allow users to submit comments on legislative or policy proposals. One such website is maintained by the Namibian Parliament, which allows citizens to submit their feedback about legislative proposals. This phase of e-government may also include the creation of citizen/government forums, such as the one set up by the Armenian Government, where people can exchange ideas, further their awareness of issues and establish opportunities for activism while not constrained by distance.

Phase 3—Transact

Offer government services online. Governments can extend their e-government presence further by establishing websites that allow users to conduct transactions online. Just as the private sector in developing countries is using the Internet to conduct e-commerce, so governments can conduct transactions online. Benefits of such arrangements include long-term cost savings, preservation of accountability through information logs and improvements in productivity. In the past, government services such as land registration or driver license renewal required long waits, confrontation with stifling bureaucracy and the occasional bribe. Innovations in accessibility, as embodied in the citizen service kiosks located in shopping centers in Brazil or the portable government computers that are carried into rural pockets of India, bring e-government to the most isolated corners of developing nations.

Perhaps the biggest incentive for governments to utilize ICT in providing services is the streamlining of bureaucratic and labor-intensive procedures, which can save money and increase productivity over the long term. Furthermore, by automating and revamping procedures and processes, especially in such revenue-generating areas of government as tax and fine collection, governments can stem corruption and greatly increase revenues while elevating trust in government at the same time. A prime example of this effort is the online permit system in Seoul, South Korea, which allows citizens to apply for various permits online and track the

progress of their applications, cutting down on trips to government offices and decreasing the opportunity for government bureaucrats to extract bribes.

Transforming government

E-government is about transforming the way government interacts with the governed. The process is neither quick nor simple. It requires a coherent strategy, beginning with an examination of the nation's regulatory environment and the ability of the population to make use of planned technologies.

The primary motivation for e-government reforms should not be the potential they offer to save money or cut staff. While this can often be a valuable result, the savings incurred from e-government initiatives most often benefit the businesses and citizens utilizing the improved system more so than the government agencies that invested in them to begin with. In order to realize the benefits of transformation themselves, governments must develop a citizen-centric model involving key stakeholders outside of government—businesses, trade associations, scientists, academics and NGOs. Without their input, even e-government projects that focus on internal government processes may not prove successful because citizens are unlikely to use a system that does not correspond to their needs.

While there is no "one size fits all" strategy in implementing e-government, we are able to identify five essential elements in the transformation process.

Process reform

Critical to the success of e-government transformation is the understanding that e-government is not just about the automation of existing processes and inefficiencies. Rather, it is about the creation of new processes and new relationships between governed and governor. The use of ICT is not merely a cost- or labor-saving tool, to be put to use by simply allotting government officials computers or automating manual records. If conceived and designed correctly, e-government is rather a solution that can genuinely revolutionize the process of government itself. Therefore,

government leaders planning e-government projects should first examine the function or operation to which they want to apply ICT. For instance, if the subject of an e-government project is procurement, government officials and their corporate business partners should first examine the entire process by which the government publishes solicitations, qualifies bidders and sets the requirements for filing bids.

Leadership

E-government requires strong political leadership. In order to achieve the e-government transformation, there must be elected and appointed officials at all levels of government who understand the technology and the associated policy goals and who are motivated to push reforms. Strong leadership can ensure the long-term commitment of resources and expertise as well as the cooperation of disparate factions. Leadership can also articulate a unifying theme that can propel the e-government initiative through all the steps that will be necessary. For example, by declaring Internet access a "human right," the Estonian leadership created strong national support for the implementation of the Tiger Leap Forward Initiative, a multi-sector program having the eventual goal of creating a completely e-literate society. While it is not essential that governments declare Internet access a human right, leaders do need to understand that results will be most likely if they elevate the public profile of their vision and press for its implementation by tying it to broader human development and democratization goals.

Strategic Investment

In view of tightly limited resources, governments will need to prioritize some programs over others to maximize the availability of funds. This will necessitate the enumeration of clear objectives for e-government programs and the designation of a clear route for fulfilling those objectives. Transitional and developing nations must choose projects carefully in order to optimize their investment of time and resources. Projects should have clear value in terms of enhancing transparency, increasing citizen participation in the governance process, cutting bureaucratic red tape, or saving money. Standards and benchmarks must be



established to measure the relative success of these projects. In Gujarat, India, the automation of toll checkpoints resulted in a significant increase in revenue normally lost to corrupt border agents. The savings were so great that the system paid for itself within a year.

Collaboration

Governments will have to explore new relationships among government agencies as well as partnerships with the private sector and NGOs to ensure quality and accessibility of e-government. Agencies may have to overcome traditional reluctance to work with each other to maximize benefits of scale in e-government projects. Collaboration among government entities, private enterprises and NGOs can assist policy-makers in crafting meaningful reforms and can expedite the implementation of e-government. Private sector experts, who deeply understand topics such as e-commerce, information technology, marketing and management, can advise government policy-makers. The private sector may have considerable expertise that can help meet the challenges of increasing efficiency, capacity, and "consumer" (that is, citizen) satisfaction.

Civic Engagement

The success of e-government initiatives depends on an engaged citizenry; to that end, efforts to foster civic engagement are critical. The concept of e-government centers around the citizen. E-government is not just a cost-cutting or efficiency-enhancing mechanism, but rather is an initiative directed at bettering the lives of ordinary people. In order to develop this citizen-focused vision, policy-makers must keep the ordinary citizen in mind when designing projects. If at all possible, policy-makers and designers should encourage stakeholders—both government and non-government—to participate in defining what their shared vision of e-government should accomplish. And once that vision is clearly defined, leaders must communicate it across all sectors, not just to those who will implement it.

Conclusion

Once governments commit to strategies transforming the governance process, they must prepare to meet the significant challenges and opportunities that will arise during implementation. In our work on the e-government handbook, we identified sixteen considerations that should be addressed by the e-government initiatives of developing nations. These include infrastructure development, law and public policy, e-literacy, accessibility, privacy, security and workforce issues. Many developing countries, even if possessing the will, do not have the infrastructure necessary to immediately deploy e-government services throughout their territory. These governments must include in their e-government strategies efforts to build up their ICT infrastructure, developing novel approaches to solving the problem of remote connectivity in order to support e-government efforts. Education and outreach programs will be needed. Successful projects will also require good marketing to encourage citizens to make use of them.

Among the many promises of the digital revolution is its potential to strengthen democracy and make governments more responsive to the needs of their citizens. E-government is not a panacea. Although it can facilitate change and create new, more efficient administrative processes, e-government will not solve all the problems of corruption and inefficiency. But it is now clear from examples from around the globe that the utilization of ICT has the potential to revolutionize the way people interact with government and each other. From the rural farmlands of Gyandoot in India to small villages in Ghana, e-government is improving the condition of people in developing countries by improving access to information applicable to their daily lives, providing government services and offering new opportunities to participate in the political process.

Electronic Promise for Local and Regional Communities

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In the countries of Central and Eastern Europe (CEE), Southeast Europe (SEE) and the former Soviet Union (FSU), the process of democratization has been accompanied by the advent of the Internet and related technologies. The question remains whether these new Information and Communication Technologies (ICTs) will drive the transformation of internal and external relationships involving the public sector so as to optimize service delivery, constituency participation and governance, or whether it will play a rather minor role in decentralization and administrative reform.

This article provides some answers to this question from the perspective of various stakeholders in local and regional government. There are two converging viewpoints relating to the societal, economic and institutional change enabled by the employment of ICTs in local communities. In more radical view, Internet uptake produces revolutionary change in private individuals and public entities. This viewpoint often describes local communities as "Digital Cities," "Telecities," and "Virtual Communities."¹ This approach stresses the broad scope of Internet-enabled change and its basis in the rapid increase in the speed of communication and interactivity. Conversely, those who view the Internet as an evolution rather than a revolution perceive the change it brings as incremental: the opening of "another channel" of communication, one with the capacity to integrate the conventional means of telephone, telegraph and television. Whether we perceive the Internet as a driving force of change or as a more passive instrument, the belief prevails that the networking resources offered by the Internet and related technologies have the potential to transform the structure and operation of government.² Particularly, ICTs provide new possibilities for enhancing the quality of public services delivered at the local level as well as the quality of democracy. Additionally, "egov promise" refers to the whole of the CEE,



SEE and FSU regions, despite low levels of visible progress in decentralization in some countries.

Why local e-government rather than e-government³?

Coinciding with increasing Internet uptake, we may observe the appearance of a new paradigm of government, first in Western Europe and now in the post-socialist countries. Without question, we are witnessing the transition from an industrialized model of "big government"—centralized, hierarchical and operating in a physical economy—to a new model of governance based in self-organizing inter-organizational networks exchanging global knowledge and operating in the digital economy. In today's world, the power to determine public affairs cannot be exclusively assigned to a single organization. Neither politicians nor civil servants can be made singularly responsible for developing the strategies and policies of a given local community. The success of local development is determined by the combined efforts of policy makers in partnership with local actors: private industry, academia, research institutes, community groups, and civic and voluntary organizations. The gradual shift from the view of citizens as customers (clients) to a model depicting active, participative citizens as stakeholders resonates with valued engagement with partners outside of government.⁴

Figure 1 presents the difference between government and governance and e-government versus e-governance

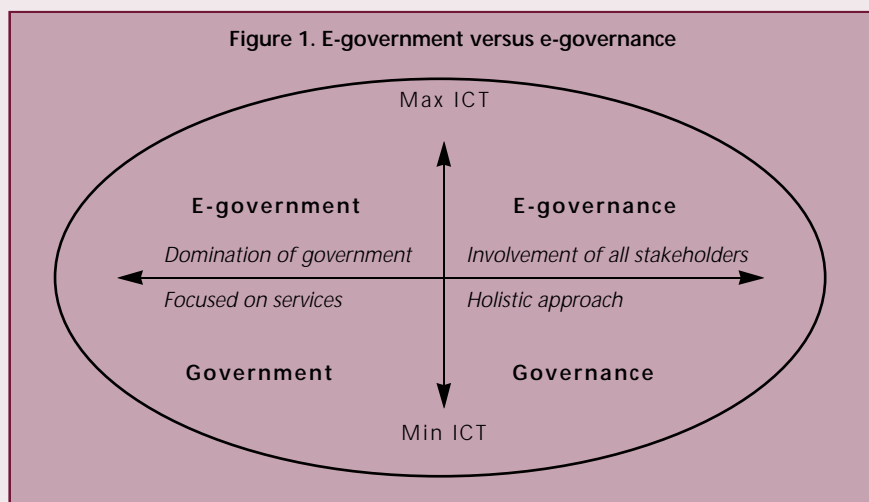


Figure 2. E-government in the 'X2Y' matrix

	Citizens	Government	Business	Third Sector (NGO)	Science
Citizens	C2C	C2G	C2B	C2N	C2S
Government	G2C	G2G	G2B	G2N	G2S
Business	B2C	B2G	B2B	B2N	B2S
Third Sector (NGO)	N2C	N2G	N2B	N2N	N2S
Science	S2C	S2G	S2B	S2N	S2S

as a function of public involvement. In an era of information society, the new paradigm of governance (represented by the right part of the horizontal axis) can be supported by information and communication technologies (as at the top of the vertical axis). Through extensive use of ICTs, local stakeholders can influence the surrounding environment, or even the structure, of the political system, as their actions affect commonly-held attitudes toward democratic values and processes. Local stakeholders are also valuable as potential partners in innovation and indigenous economic development (Figure 2). In my view, e-government assumes the online engagement of many stakeholders in the process of governing and implementing policies. On the contrary, most developed countries' e-government agendas are mainly concerned with delivering government services on-line.⁵ In this narrow sense, the application of modern ICT serves mainly the transactions between governmental administration and the public and does not encourage citizens to become involved in policy deliberation.

Four dimensions of e-government

Through decentralization, local and regional governments have taken up responsibility for providing services and prescribing local democracy. At the same time, however, the post-socialist countries are only beginning to prepare e-gov strategies. Therefore, the need for building balanced e-government should be prioritized along with such problems as bridging the digital divide, establishing access to public information and dispersing capacity for proper ICT usage.⁶ Building e-gov at local and regional levels will have major repercussions in the following spheres: e-Services, e-Management, e-Democracy and e-Commerce.

1. **e-services**—This term describes the use of electronic delivery for government information, programs, strategies and services. These are available on-line "24/seven." It also refers to Electronic Service Delivery (ESD), e-administration and such expressions as "one-stop service centers" and "single window access." The latter describes situations in which a citizen's needs are met through a single contact with the government. In many cases it assumes a modernized front office but not necessarily redesigned back office capacity. At the same time, e-services feature innovative forms of citizen involvement and offer services that demonstrate serious valuation of citizens as customers of administration.
2. **e-management**—While e-Services focus on extra-organizational relations, e-management refers to the behind-the-scene information systems supporting the management and administrative functions of public institutions, including data and information management, electronic records maintenance and cross-departmental flow of information. e-management

[continued on page 27] >>

Top Ten E-Democracy 'To Do List' for Governments around the World

by Steven Clift

<http://www.publicus.net>

Democracies Online

<http://www.e-democracy.org/do>

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1. **Announce all public meetings online in a systematic and reliable way.** Include the time, place, agenda, and information on citizen testimony, participation, or observation options. Use the Internet to build trust in in-person democracy.
2. **Put a "Democracy Button" on your site's top page** which brings them to a special section detailing the agencies/government units purpose and mission, top decision-makers, links to enabling laws, budget details and other accountability information. Share real information that help a citizen better understand the legitimacy of your government agency and powers. Give citizens real information on how to best influence the policy course of the agency. This could include links to the appropriate parliamentary or local council committees and bodies.
3. **Implement "Service Democracy."** Yes, most citizens simply want better, more efficient access to service transactions and information products your agency produces. Learn from these relationships. Actively use comment forms, online surveys, citizen focus groups to garner the input required to be a responsive e-government. Don't automate services that people no longer want or need. Use the Internet to learn about what you can do better rather than just as a one-way self-service tool designed to limit public interaction and input.
4. **End the "Representative Democracy Online Deficit."** With the vast majority of government information technology spending focused on the administrative side of government, the representative institutions from the local level on up to the Federal government are growing increasingly weak. Invest in the technology and communications infrastructure of those institutions designed to represent the people. Investing in elected officials' voice through technology is investing in the voice of the people. Cynicism aside, options for more direct democracy can be explored, but invest in what we have today—representative democracy.
5. **Internet-enable existing representative and advisory processes.** Create "Virtual Committee Rooms" and public hearings that allow in-person events to be available in totality via the Internet. Require in-person handouts and testimony to be submitted in HTML for immediate online availability to those watching or listening on the Internet or via broadcasting. Encourage citizens to also testify via the Internet over video conferencing and allow online submission of written testimony. The most sustainable "e-democracy" activities will be those incorporated into existing and legitimate governance processes.
6. **Embrace the two-way nature of the Internet.** Create the tools required to respond to e-mail in an effective and timely manner. E-mail is the most personal and cherished Internet tool used by the average citizen. How a government deals with incoming e-mail and enables access to automatic informational notices based on citizen preferences will differentiate popular governments from those that are viewed as out of touch. Have a clear e-mail response policy and start by auto-responding with the time and date received, the estimated time for a response, what to do if none is received, and a copy of their original message. Give people the tools to help hold you accountable.
7. **Hold government sponsored online consultations.** Complement in-person consultations with time-based, asynchronous online events (one to three weeks) that allow people to become educated on public policy issues and interact with agency staff, decision-makers, and each other. Online consultations must be highly structured events designed to have a real impact on the policy process. Don't do this for show. The biggest plus with these kinds of events is that people may participate on their own time from homes, schools, libraries and workplaces and greater diversity of opinions, perspectives, and geography can increase the richness of the policy process. Make clear the government staff response permissions to allow quick responses to informational queries. Have a set process to deal with more controversial topics in a very timely (24-48 hours) fashion with direct responses from decision-makers and top agency staff.
8. **Develop e-democracy legislation.** Tweak laws and seek the budgetary investments required to support governance in information age. Not everything can be left voluntary—some government entities need a push. What is so important that government must be required to comply? There is a limit to what can be squeezed out of existing budgets. Even with the infrastructure in place the investment in the online writers, communicators, designers, programmers, and facilitators must be increased to make Internet-enhanced democracy something of real value to most citizens and governments alike.
9. **Educate elected officials on the use of the Internet in their representative work.** Get them set-up technologically and encourage national and international peer-to-peer policy exchanges among representatives and staff. Be careful to prevent use this technology infrastructure for incumbency protection. Have well-designed laws or rules to prevent use of technology and information assets in unknown ways.
10. **Create open source democracy online applications.** Don't waste tax dollars on unique tools required for common governmental IT and democracy needs. Share your best in-house technology with other governments around the world. Leverage your service infrastructure, be it proprietary or open source, for democratic purposes.

is somewhat problematic in that the organization of government is based on a division of work between several fields or competencies. E-governance requires a new organizational culture in addition to new staff teams focused on performance, customer service and response to citizen input. The solutions to problems of e-management lie in the implementation of services designed around possible life events and the adaptation and integration of back-office processes.⁷

- 3. e-democracy**—This is the feature of e-governance most difficult to generate and sustain. E-democracy is the use of ICT as an instrument to help set agendas, establish priorities, make important policies and participate in their implementation in a deliberative way (such as through e-consultation or e-voting). It refers to activities that increase citizen involvement, including virtual town meetings, open meetings, cyber campaigns, feedback polls, public surveys and community forums. In short, after the successful implementation of e-gov at the local level, newly empowered citizens may emerge in the form of Internet-based alliances responding to issues.

- 4. e-commerce**—This concept is linked to the business side of government interaction. In e-commerce, the exchange of money for governmental goods and services is conducted over the Internet. For example, citizens paying their taxes and utility bills, renewing vehicle registrations and paying for recreation programs, or a government buying office supplies and auctioning surplus equipment (through online purchasing or e-procurement).

Within the four dimensions of e-governance, it is possible to analyze the differing maturity levels of e-services, e-management, e-democracy and e-commerce. The classifications range from information exchange through “one-way interaction” or “two-way interaction” to “transaction.”

Conclusions

In CEE, SEE and the fSU, the post-socialist context has produced a heavy emphasis on reform initiatives that democratize the state and empower local and regional communities through decentralization. The information, communication and transaction opportuni-

ties present in modern ICT are unlimited. Since the penetration of the Internet is growing, the main challenge to e-governance is not Internet access, but rather the lack of security, trust and skills for effective use of the information and knowledge acquired via these new tools.

Regional or local information infrastructure could provide communities with innumerable benefits. The most significant of these is an integrated approach to the efforts undertaken by partners at local and/or regional levels in creating an atmosphere of e-governance. It provides substance to the observation that “if information were widely available on a local basis, it would be possible for people to become more psychologically connected to their regions.” In countries with widely dispersed and fragmented local infrastructure, it proves helpful to link initiatives, programs and policies, which might otherwise prove insignificant to a single small municipality. From another angle, employment of ICT can support support decentralization.

Lessons from the West advance the argument for not overemphasizing equipment and technical issues. For community based projects, addressing real information needs and enacting human systems are critical to success. When the balanced approach to ICT and governance described as e-governance is absent, the resulting transformation reflects only a transition from bureaucracy to infocracy, and technocratic, unresponsive government prevails.

It should be pointed out that information is a precondition for obtaining public services and engaging in the public domain. Policy-makers must ensure that the information available to one is available to all. Therefore e-mail notification of new documents, policy proposals, strategies and new services is essential to the development of e-democracy and effective e-governance.

Finally, as with any innovation, there is a strong need to identify “champions of the cause,” who understand the benefits of e-governance and are willing and able to push forward ideas and projects. Local champions, working with local authorities, should promote this

Barriers to e-government

Institutional/ Operational	Managerial	Policy/ Planning
Technology and infrastructure costs/factors	Lack of capacity to manage large-scale IT projects	Lack of coordination and/or strategic planning
Lack of resources to support 24/7 operations	Lack of conviction of top or middle managers	Lack of comprehensiveness and continuity of policies/programs
Lack of innovative incentives in public sector	Management expectations vs. management realities	Absence of policy guidelines
Organizational/cultural dichotomies	Doubts and resistance by leadership	Organizational/cultural dichotomies
Lack of institutional support	Opposition by professional or union interests	Local governments and municipalities if left far behind become bottlenecks
Information mismanagement, reluctance among depts., misuse of sensitive data	Obsolete legal frameworks to innovate and incorporate private sector	Lack of comprehensiveness continuity of policies and programs
Absence of policy guidelines	Information mismanagement, reluctance to share among depts., misuse of data	Opposition by professional or union interests

Source: United Nations, DPEPA, ASPA, *Benchmarking E-government: A Global Perspective—Assessing the UN Member States*, p. 49.



modernizing process in accordance with local needs and expectations.

Endnotes:

1. For different examples from around the world see: Information and Communication Technologies and Rural Development, (2001), Paris: OECD
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Combating Corruption Digitally

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E-government is undeniably a buzzword these days in schools for public policy and administration. Hailed by some academics as the key to reinventing government in the 21st century, bringing the work of government bureaucracies online is expected to dramatically change the way citizens and businesses interact with the public sector. More specifically, electronic government is broadly expected to produce the following results:

- Improve the efficiency and effectiveness of executive government functions, especially the delivery of public services;
- Make governments more transparent and accountable to citizens and businesses;
- Change the relationships between citizens and the state with large implications for democracy and government structure.

All three of these potential impacts are worth exploring in depth, particularly as evidence for each has accumulated in both developed and developing countries over the past decade. This article will focus on the second alleged impact of electronic government—increased accountability and transparency—and argue that one of its most promising applications is in combating executive corruption in the public sector.

What is e-government and how does it relate to transparency and accountability?

E-government is a sub-set of the broader phenomenon of e-governance, and can be understood as the application of information technology's tools and techniques to the workings of government for the benefit of its "customers"—citizens and businesses—as well as for itself. In theory at least, in order to be effective, e-government should be focused on meeting the needs of citizens. It should aim to pro-

vide greater access to information and better and more fairly distributed services to the public. Not all e-government initiatives have the same priorities. Some are entirely focused on improving the quality of public service delivery. Others, particularly in developing countries, have given priority to strengthening the economic sector in order to attract foreign investment. Others have focused on broadening public participation in drafting legislation.

In a number of cases, increasing transparency, accountability, and predictability in public procedures and rule-making have been the primary goals. When government leaders and public stakeholders are firmly committed to these ends, e-government can be a vital tool in combating corruption.

Three striking case studies, presented by the World Bank from South Korea, Argentina and the Indian state of Gujarat, demonstrate that increased openness of information about the decisions and actions of government functionaries and greater civic engagement drastically reduce the incentives and opportunities for rent-seeking and corruption among public officials.

Case Studies in Anti-Corruption¹

The OPEN Anti-Corruption Project in Seoul

More than a decade of rapid economic growth in South Korea led to the drastic expansion of Seoul's municipal bureaucracy and opened numerous avenues for corruption, particularly in the form of bribes extracted by public officials for speedy processing of applications for business licenses and permits. This had become such a widespread problem that in 1998, the newly elected mayor, Goh Kun, pledged to lead a war on corruption. As part of this campaign, he supported the creation of an Internet portal called "OPEN" (Online Procedures Enhancement for Civil Applications) that provides a wide range of information on services, permits and licenses issued by the municipal government. The website makes these administrative procedures transparent to the public and allows individuals who have applied for permits to

check the status of their applications online.

Even more critically, the portal outlines the elements of the anti-corruption campaign, includes an “anti-corruption index” and displays citizen survey results on government corruption. Going beyond educating citizens on the procedures of government, it allows them to voice their opinions on how the government is progressing in meeting the transparency benchmarks it has set.

Seoul's city government invested heavily in the OPEN project. Over 5,000 employees in nearly 500 city departments were trained to use the computer program in processing applications, and over the past several years, many other government functions have been made public through the Internet (including twenty civil affairs functions). According to a survey of over 1,100 people, approximately 84 percent believed that the OPEN project had increased transparency in the Seoul government.

The Cristal Government Initiative in Argentina²

As in the case of Seoul, perceptions of government corruption were a major political issue in Argentina in the late 1990s. The goal of the Cristal Government Initiative, created in September 1999, was to make available online all information concerning the public use of funds in Argentina. This included not only statistics on the amount of money devoted to different government programs, but information on the process through which these funds are administered. The Cristal project website aims to empower citizens with the information that allows them to monitor their political representatives more effectively.

The website was designed to be as user-friendly as possible and is organized around three basic themes: (1) an explanation of how public funds are redistributed between the central government and the provinces, (2) an information hub on central government policies for public evaluation and (3) condensed information on the management of corruption in the public and private sectors. Additionally, as an accountability measure, the website is audited each year by an external body

comprised of representatives of fifteen transparency-focused NGOs.

Though the website encountered some difficulties, such as initially failing to meet the high expectations it set for itself in terms of content availability, the website was restructured several times and has served as a source of top-down legitimacy in the campaign against public corruption. The Cristal project has also been successfully “sold” to a number of central government agencies as a means to improve their weak public image. As a result, many agencies have improved their data gathering practices in response to the website's questions.

Information Technology and Interstate Check Posts in Gujarat, India³

The common practice of overloading commercial trucks traveling on Gujarati highways had become a major safety hazard and a source of excise and sales tax evasion in Gujarat. This, combined with the massive corruption problems with public border inspectors (many of whom had been suspended for harassing and robbing truck drivers), led to the overhaul of Gujarat's traditional check post system in 1998. The state government installed computers and electronic equipment at ten remote interstate border check posts and introduced a computerized system of issuing and collecting fines.

The automated process relies on video cameras installed at the check posts to capture vehicle registration numbers, which are then converted to a centralized electronic database so that electronic fine notices may be issued on the spot. Vehicle drivers have the option of carrying pre-paid cards to allow for immediate collection of fines and to avoid carrying cash (thereby reducing the amount of discretion and corruption among check post officials).

Through the use of computer and information technology, Gujarati officials managed to drastically curb corruption at the check posts and increased state tax revenues threefold over a two-year period by reducing the number of illegally overloaded commercial trucks and making it significantly easier to collect fines. This successful e-government program paid for itself in just six months and also reduced the average waiting

time at check posts for drivers from 30 minutes to only two minutes.

Conclusion

Although none of these e-government initiatives works perfectly, these three case studies are success stories. And they have been so successful for a number of key reasons. First, all three were strongly supported by political leaders at the local and central government levels. It cannot be emphasized enough that e-government is a political process and political backing is essential for success. Second, all three initiatives increased the accountability of public officials to citizens and to their government through increasing transparency in their daily operating procedures and increasing the risks of rent-seeking. Government rules, procedures and punishments were clearly articulated and made predictable. Finally, particularly in the Korean and Argentine cases, the public was engaged in the e-government process.

These three case studies demonstrate e-government's potential for increasing transparency and reducing corruption. They do not prove that these initiatives will always be successful or even appropriate. It is important to stress that e-government should not be seen as a solution in itself but as a means to facilitate already envisioned reforms. Technology is an important facilitator, but it cannot produce results on its own. Political commitment, public resources and citizen engagement are necessary ingredients for success.

Endnotes

1. “E-government and Anticorruption: OPEN—Seoul's Anticorruption Project.” <http://www1.worldbank.org/publicsector/egov/seoulcs.htm>.
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High-Tech Hungarian Government?

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Hungary, like other countries in Central and Eastern Central Europe, lags behind the EU (and the EU lags behind the U.S. and the developed Asian region) in terms of information society development, and this is likely to lead to its failure in competitiveness. The vicious circle is closing: if ICTs are not used, we are not using the full capacity of our knowledge capital and are not reaching our full potential for market growth. Without market development, we cannot finance information and communication technologies. Over the long term, it endangers the stability of the EU if new member countries are unable to reconstruct their markets to be competitive.

So it is the digital divide, or gap in electronic capacities between groups in society (or countries in the international view), that requires analysis. The quality difference between Finland and Hungary, for example, results from the lack of information and communication tools as well as the financial resources necessary to attain them. Maybe everyone accepts that countries and populations not benefiting from access to ICTs will gradually find themselves in the periphery, but this does not have to be the case. The government has first the task of believing and spreading the belief that the distribution and use of information and communication instruments are the solution to: (1) realizing a knowledge-based information society, (2) realizing e-government and (3) guaranteeing dynamic growth of market development.

The right-wing government in Hungary started to pay more attention to this matter in the middle of 2000, as demonstrated by the founding of the Office for Information Commissioner of Government (IKB) as a center for information initiatives. The new social-democratic government followed this lead in 2002, establishing the Ministry of Informatics and Communication (IHM) and the Governmental Informatics and Society Con-

nections Office (KITKH).¹ Although these are centralized initiatives, they aim to incorporate more and more groups into the project of continuous information society development. Other particular strengths of these initiatives are the attention given to the handicapped (both physically and financially) and to Hungarians abroad. This is important, because being insulated from information technology accelerates social segregation.

The only means to fast results is through activating the public. To increase the number of participants in ICT, the government needs to sponsor the activities of civil society.² As yet, these organizations representing this sector have not had enough time and support to develop satisfactorily. In addition to their role as consumers of e-government, civil society has an active role to play in founding the information society itself. In Hungary, two local civil organizations—Telecottages and the Civil Service Centers—serve as the main foundation for interactive information exchange. For this activity, cultural institutions and entrepreneurial information bases can also be used. The strategic goal of the government should be sponsoring these organizations and cooperating in setting the objective conditions for information exchange.

Sponsoring and developing the civil sector is a very sensitive undertaking. The only way to avoid the danger of overzealous governmental tutelage is to involve the representatives of the three sectors (market, state and civil) in setting the new regulations and conditions for the emerging information society. Market regulation has already begun, with the November 2002 decision of the Communication Arbitration Committee's Office,³ confirming the formation of the new conditions that may strengthen real market competitiveness.

In sum, Hungary has strong settlement and regional initiatives, of which Telecottages serves as a well-functioning example. It also has several governmental pilot-projects, but has not yet realized e-government effectiveness (largely because there is not a significant society of users).

Making use of these chances requires that attention be given to the three determinative actors in e-government: informatics, researchers and public administration.

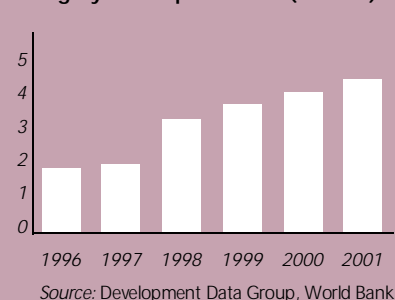
Recommendations for informatics

The uncertainty and clarity of regulations and state hegemony was clear at the e-Hungary e-Government Conference (Balatonaliga, 13-14 November 2002). The biggest problem relating to regulation lies in the area of digital signatures. Its demands for an authentication requirement make this the strictest and most challenging act in the information society legal framework. The price of building the mechanisms to provide authentication is so high, and so circumstantial, that it will serve as a significant setback to the propagation of the digital signature. The expedient solution lies in activating professionals to engage in open dispute on the act's review and to make new formulas.

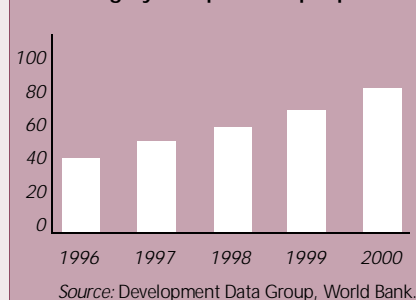
Recommendations for researchers

The usage of the e-government services is dependent on two factors: (1) the number and quality of accessible services and (2) the infrastructure backing these services. Both parts require development in the field of revenue-producing services (taxes, duties, fees, etc.). These returns could then finance the other (social and information-providing) e-government investments.

Hungary: ICT expenditures (USD bil)



Hungary: PCs per 1000 people



Enlarging the circle of e-government users first requires increasing the Hungarian rate of Internet penetration, which in turn requires an increase in the availability of computers. This could be achieved by following the Scandinavian model, which advocates lessening import duties, or through the enlistment of other direct subventions or tax preferences. Redistribution of second-hand computers might also be useful in educational settings. The most pressing task is making information technology use appealing. The use of ICTs requires instruction and support.

Recommendations for public administration clerks

Of principal concern to public administrators is the order, namely the correct priority, assigned to e-government implementation. First, the workflow needs to be made suitable for digitalization, by rationalizing processes and automating office procedures. This step has to be followed by the education of civil servants and then a plan for the configuration of the ICT-infrastructure. Finally a parallel workflow might be launched, meaning that manual administration and electronic processing exist side by side for a time, then gradually only the latter remains.

Endnotes

1. Still the fields of responsibility cannot be separated, but this provides an outline.
2. The civil sector is broader than the totality of formalized civil organizations, because it includes informal associations and individual initiatives. By the Hungarian operative law, there are some 60,000 different civil organizations registered by the court of law. According to the opinion of Central Statistic Office (KSH) 47,000 of them are in operation. This number reflects the explosive growth of this sector during the early 1990s.
3. The Communication Authority is the national authority with territorial competency of domestic regulation, working under the authority of the government with a resident minister. It works independent of market influence. The Arbitration Committee's Office highlighted those telecommunication firms possessing Heavy Market Strengths (JPE); hereafter they will have to perform business according to strict rules of procedure.

The Digital Divide in Estonia and How to Bridge It

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The background of the study

In the autumn of 2001, in response to concerns over the lack of attention paid the Digital Divide in the rapidly developing Estonian information technology sector, the Open Estonia Foundation, the State Chancellery and the Look@World Foundation commissioned the joint tender of AS Emor and the PRAXIS Center for Policy Studies to run a study on the subject. At a later stage of the project, the International Bank for Reconstruction and Development (IBRD) for the Information for Development Programme (infoDev) joined the study, providing a grant to the PRAXIS Center for Policy Studies to conduct an ICT Infrastructure and E-Readiness Assessment. In addition, the Open Society Institute—Budapest supported translation and web publishing.

The study sought to answer the following questions:

- Is it possible to identify specific groups of the population whose computer and Internet penetration rates are significantly lower?
- If so, what are the needs of the light users and non-users of the Internet, and what are their attitudes, prejudices and expectations with respect to novel communication technologies and services?
- What relevant and effective arguments and channels can be developed to involve non-users in the budding information society?

The survey was conducted between January and July 2002 and the results published in the book *Digital Divide in Estonia and How to Bridge It* (Editors: Mari Kalkun and Tarmo Kalvet), Tallinn 2002. The book is available in English, Russian and Estonian from

<http://www.praxis.ee/digital-divide/>

Two major groups of non-users of the Internet

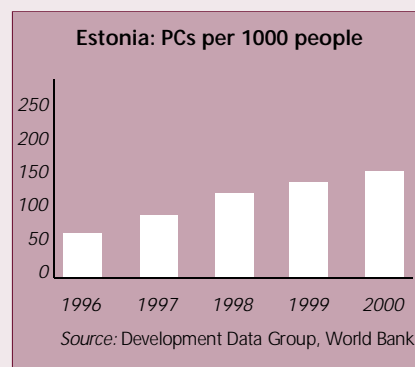
The report of the value orientations survey conducted by Emor indicates that non-users of the Internet account for 58 percent of the Estonian population in the 15–74 age bracket, i.e., an estimated 607,000 people in February 2002.

There are two distinct categories in the group of non-users: "Passive People" and "Blue Collars" (These titles are conditional generalizing terms derived from the value orientation study, which takes into account the mentality and socio-demographic background of the people comprising the groups).

Among "Passive People" (28 percent of Internet non-users) about 60 percent are 50 years of age or older. They are generally have little interest in matters outside their daily lives, and their relation to the Internet or computers is very weak; they see neither the need to use the Internet nor any benefits that could be derived from it.

"Blue Collar individuals" (27 percent of Internet non-users) are mainly unskilled and skilled workers who do not need computers for their job; about half of the people in this category see no benefits in the Internet and, as the Internet is unattractive to them, are not willing to change their daily routines to accommodate its use. Also, there are social and psychological barriers (fear of new technologies, no recognition of the need for lifelong learning), skills barriers (lack of computer and foreign language skills) and economic barriers (income per family member is at the Estonian average level).

There are an estimated 176,000 retired persons in Estonia who belong to the group of "Passive People," while "Blue Collars" include 151,000 workers and 42,000 medium-level specialists and client servicing personnel.



ICT at a glance														
Albania		Bulgaria		Estonia		Hungary		Poland		Romania		Europe and Central Asia	Upper middle Income	
1995	2001	1995	2001	1995	2001	1995	2001	1995	2001	1995	2001	2001	2001	
Computers and the Internet														
Personal Computers														
Per 1,000 people	-	6.4	16.6	43.9	-	152.9	39.0	85.3	28.5	68.9	13.2	31.9	45.4	58.9
Installed in education (thousands)	-	-	13.5	22.1 ^a	-	-	31.2	76.7 ^a	68.8	252.7 ^a	14.1	36.8 ^a	-	-
Networked PCs (%)	-	-	34.7	44.2	-	-	34.7	40.7	34.7	41.9	34.7	31.1	-	-
Internet														
Users (thousands)	0.4	3.5	10.0	430.0	40.0	391.6	70.0	1480.0	250.0	2800.0	17.0	800.0	14648.3	26349.0
Monthly off-peak access charges														
Service provider charge	-	19.0 ^a	-	7.8 ^a	-	-	-	12.7 ^a	-	0.0 ^a	-	15.0 ^a	14.8 ^a	20.4 ^a
Telephone usage charge	-	0.20 ^a	-	0.02 ^a	-	0.57 ^a	-	13.59 ^a	-	18.39 ^a	-	0.37 ^a	0.37 ^a	0.42 ^a
ICT Expenditures														
Total ICT (USD millions)	-	-	304.0	530.0	-	-	1733.0	4646.6	2745.0	10489.0	332.0	956.0	-	-
ICT as % OF GDP	-	-	2.3	3.8	-	-	3.9	8.9	2.2	5.9	0.9	2.2	-	-
ICT per capita (USD)	-	-	36.1	65.4	-	-	169.1	465.5	71.1	271.1	14.6	42.8	-	-
ICT Business and Gov. Environment														
(ratings from 1 to 7; 7 is highest/best)														
Internet speed and access	-	-	-	3.5	-	5.0	-	4.0	-	2.9	-	3.8	-	4.0
Internet effects on business	-	-	-	3.1	-	4.5	-	3.3	-	3.7	-	3.6	-	3.6
Highly skilled IT job market	-	-	-	2.5	-	5.2	-	4.8	-	5.3	-	3.7	-	4.6
Competition in ISPs	-	-	-	4.0	-	6.0	-	5.3	-	4.7	-	4.0	-	4.8
Government online services availability-	-	-	-	3.0	-	5.8	-	4.4	-	4.1	-	3.0	-	3.7
Laws relating to ICT use	-	-	-	3.0	-	4.8	-	3.8	-	3.9	-	3.1	-	3.7
Secure servers	-	1 ^a	-	18 ^a	-	80 ^a	-	127 ^a	-	326 ^a	-	53 ^a	1694 ^a	3271 ^a

Notes: Figures in italics refer to an earlier year. a: Data refer to 2001.

Sources: ITU and UNESCO, WITSA, World Economic Forum's Global Competitiveness Report 2001-2002 (ratings) and Netcraft (secure servers). Development Data Group, World Bank

Barriers to Internet non-usage

The main barrier in Estonian society is the fact that people do not associate the benefits of the Internet with their personal needs, believing that "computers are not for me" (Figure 1). One of the reasons underlying this belief may be the Internet access structure typical of Estonia—as the living standard is relatively low, comparatively few people have computers at home. Owing to the Tiger Leap Program (see <http://www.tiigrihype.ee>), school children are above-average users of the Internet. Also, together with the adoption of Western styles of work, various institutions quite abruptly switched to computers. These tendencies perpetuate the view that computers are only useful and necessary for children completing their school assignments or adults at their jobs.

In the context of e-government issues, it is highly important that the issue of distrust of e-services be presented. There is a strongly held belief that results cannot be achieved when affairs are managed at a distance or instantaneously. Citizens perceive public sector services in a very personalized way (they do not distinguish the process from the person offering the service; they see one particular civil servant as a gate-keeper; and they believe every civil servant to require different documents). General belief holds that desired outcomes can be attained only by meeting civil servants in person (often repeatedly).

Additionally, belief prevails that existing means of communication (telephone, mobile phone, mass media) meet all the basic needs for which the Internet is hailed as being useful: communicating, searching for information and managing affairs.

Policy Recommendations

In view of the barriers to Internet use, PRAXIS has developed recommendations for popularizing information and communication technology to encourage computer and Internet use among the Estonian population.

Although many of the recommendations are directed at the Estonian government, their implementation can only be made possible through cooperation with the private sector.

Recommendations concerning 'Blue Collars'

Research indicates that in view of both effectiveness and economic development it is reasonable to focus on the "Blue Collars" group, for whom lack of motivation factors centrally in non-use of the Internet.

In line with what was discussed above is the fact that non-users of the Internet perceive informational search as its primary function. At the same time, non-users are strongly rooted in traditional information channels (television, radio, newspapers). In addition, they view the e-bank as their only Internet partner, whereas in case of public services, they strongly associate the services with the persons offering them. Thus, in order to generate rational use of the Internet by current non-users, especially by "Blue Collars," it is necessary to teach them to believe that the Internet is precisely the channel they need for attending to daily errands. This, in turn, would presuppose internal reorganization of the public sector's work, so as not to disappoint users and to avoid further consolidation of the opinion that it is impossible "to manage things from a distance and instantaneously."

Overcoming the skills barrier is also of great importance in the case of "Blue

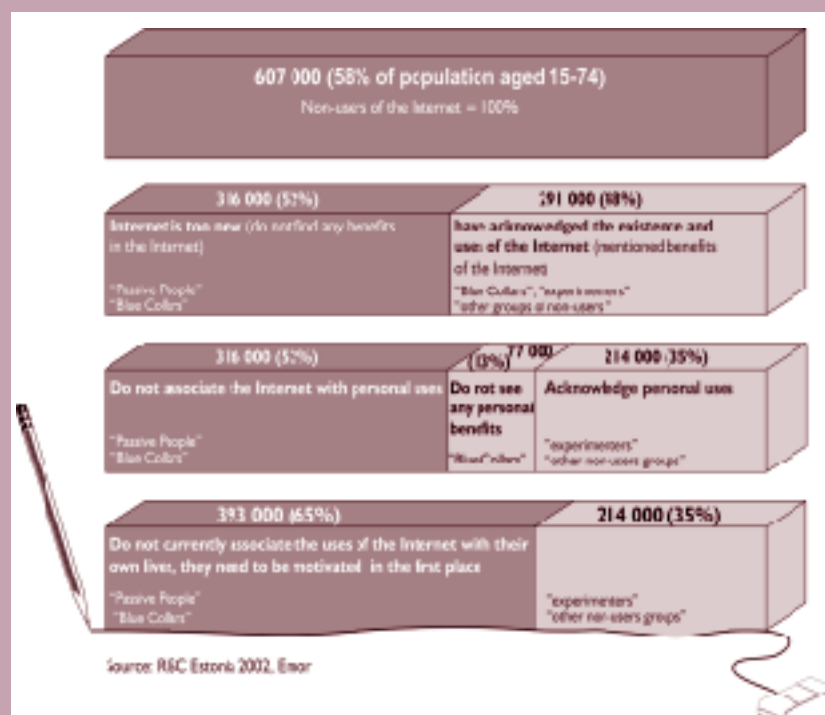
Collars," for even if they have a computer at home, their children may be its only users. The best place for training is the workplace; the unemployed being another group of non-users, direct pressure exerted by the state to involve these people in training would prove effective (for example, a more extensive Internet training program as part of conversion training).

Among "Blue Collars," the Internet's popularity could be increased through a campaign using both motivational and price mechanisms to promote connecting existing home computers to the Internet and increasing home computer penetration. In the fourth quarter of 2001, 156,000 Estonians in the 15–74 age bracket, who at that time did not have a computer at home, disclosed their intention to buy one in the following year.

Recommendations concerning 'Passive People'

In order to bring "Passive People" closer to the Internet, a broader understanding of the "Internet for everyone" notion has to be promoted. To remove the obstructive belief that "computers are not for me," we suggest exploiting those media productions enjoying great popularity among "Passive People."

Figure 1. Lack of motivation is the key in two-thirds of Internet non-users



Only once the broad social barriers have been removed will specific services grow more attractive to current non-users. One area expected to attract new users if made available on the Internet is health care (beginning with consulting a doctor and ending with the receipt of medicines from a pharmacy). Chances are that in time, a special Internet portal tailored exclusively to "Passive People" will become popular through the collaborative efforts of various sectors.

Like in many foreign countries, in Estonia great attention has been paid to ICT training in recent years. The Look@World Foundation is providing free short-term Internet training courses to 100,000 non-users. This project will undoubtedly play a substantial role in overcoming the lack of interest by introducing attractive services and stressing the direct benefits offered by the service. However, a problem likely to emerge among the elderly population is that new interest may wane if barriers rapidly appear, particularly if language problems inhibit coping with user interfaces or one's relatively poor memory skills detract from one's ability to learn the necessary manoeuvres for operating a computer. Another psychological obstacle may be the unwillingness "to reveal one's lack of skills." Therefore the effectiveness of training programs will have to undergo evaluation (to ensure that trainees have become convinced Internet users) and improvements will need to be made where necessary.

Thinking Large But Starting Small in Romania

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E-government is more than a two-way relationship with the public (meaning citizens and businesses). It also includes an internal dimension: inside the government, different levels (central, regional, local) or branches (executive, legislative, judiciary) also have to interact electronically during the process of delivering public services.

The relationships in e-government are in Figure 1 on the next page:

E-government in Romania

A National Strategic Plan for Information has existed in Romania since 1992, although it was not officially enacted until 1998. The Strategy aimed to build an information core including national databases for citizens, businesses, property, legislation, statistical information, intellectual property, standards and establish a better data communication infrastructure. Although terms were specified and funds allocated for each part of the program, economic pressures and lack of interest prevented them from achieving practical results. The topic of Information Society (IS) only became a part of the overall strategy after the European Union's decision to start accession negotiations with Romania (Helsinki European Council December 1999). After this point, the eEurope+ 2003 Action Plan guided the Romanian Government's acceleration in implementing and extending the scope of short-term IS objectives.

The Romanian government subsequently established a Group for Promoting Information Technology to advance IT development; it announced 24 pilot IT projects in May 2001. Among them were initiatives serving businesses (for example, a web-based system for loading suppliers' invoices and electronic customs declarations), citizens (electronic change of address notification and online tax payment), and the government itself (e-procurement and surveillance of electronic signature providers). Additionally, it began the process of introducing computers and Internet access in schools and building a development portal—the "Romania Gateway." In January 2002 a government ordinance declared that by the end of the year public procurement should take place only over the Internet.

There remains a great problem related to public administration itself. European Union reports continue to question the quality of governance in Romania. Administrative reform lags behind that in many other areas of society, politics or the economy. A professional public administration requires:

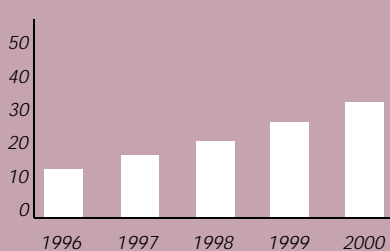
- An improved and more rigorously enforced legal framework governing public servants' recruitment, training and career development;
- An ethical code guiding public servants' behavior;
- Public services provisions that respect citizens' rights and grant equal treatment;
- A public sector oriented toward productivity and quality public services; and
- De-politicization of the public sector.

While the execution of e-government requires a professional public administration, it may at the same time enable the reforms necessary to enlarge administrative transparency. In this sense, the development of electronic government serves as a tool reinforcing the development of public administrative capacity.

Accomplishments and needs of a Romanian e-government

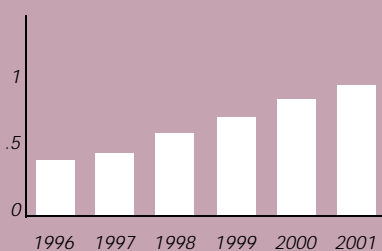
Statistics indicate a slowly developing Information Society in Romania. Despite growth in all forms of ICT over the period 1996 to 1999, the number of PCs per 100 inhabitants remains only 3.2, a figure high-

Romania: PCs per 1000 people



Source: Development Data Group, World Bank.

Romania: ICT expenditures (USD bil)



Source: Development Data Group, World Bank.

er only than Albania. A comparative analysis of the CEE region shows that while Romanians constitute twenty percent of the region's population, they account for only 7 percent of total Internet users. This may be explained partially by Romanians' comparatively low purchasing power (the country's average monthly wage is USD 100); alternative explanations include weak IT literacy and a lack of public perception about the potential applications of IT. Despite the presence of computers and the Internet in cybercafes, offices and schools, the Internet is far from penetrating all parts of Romania. More than 50 of Romanians live in rural areas, where fixed telephone lines are considered a luxury.

Below is my own evaluation of Romanian electronic services.

- The majority of government sites do post information regarding instructions or procedures;
- Their territorial branches do not have independent websites and sometimes branches are not even mentioned (with contact data) on the ministry's main website;
- The existing electronic job search service (<http://www.semm.ro>) lists only 920 available jobs;
- Some of the above services (e.g., building licenses) are issued by local public administrations, only some of which have an Internet presence; and
- The same is true of public libraries.

The usage of online services by the public has never been measured for the simple reason that there are too few users to find them. The government websites outfitted to count visits usual-

The stages of e-government	
Emerging	A government web presence is established through a few independent official sites. Information is limited, basic and static.
Enhanced	Content and information is updated with greater regularity.
Interactive	Users can download forms, contact officials and make appointments and requests.
Trans-actional	Users can actually pay for services or conduct financial transactions online.
Seamless	Total integration of e-functions and services across administrative and departmental boundaries

Source: United Nations, DPEPA, ASPA, Benchmarking E-government: A Global Perspective—Assessing the UN Member States, p. 10.

ly prompt only three- or four-digit figures. The situation is even less encouraging in the case of local public administration. A well-known Romanian portal, Kappa (<http://www.kappa.ro>), lists only 28 websites for local public administration. More exist, but the portal relies on the ability of its users to propose the addition of new sites. A site dedicated to e-democracy <http://www.edemocratie.ro> (financed by the European Union) is able to locate links to local public administration in less than twenty of the 42 total counties. The official Romanian Government website offers links to 21 city halls, 12 prefectures and 18 county councils. Some cities, such as Brasov, Sibiu, Bucharest or Timisoara, and county councils, including Harghita and Constanta, have acceptable websites. However, there remain many large cities that do not bother to establish an Internet presence, most notably Cluj-Napoca until October 2002.

The information systems already in operation in public institutions do not

demonstrate very good performance. The only integrated system is that of the Customs Administration. While some ministries transfer electronic information from local to central branches, others do not, and all agencies still request paperwork, whether initially or in follow-up to electronic activities. Information remains inaccurate and is not regularly updated. Online electronic access to institutional data from other government agencies is presently impossible, and in some cases, ministries do not exchange data at all.

Conclusions

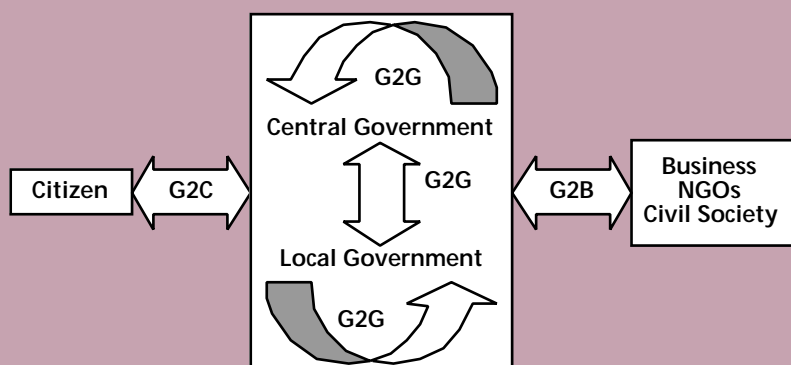
Returning to the point of view of the group interactions pictured in Figure 1:

- If we consider Internet access the main criteria for the development of the government to citizen relationship, the G2C connection has very little chance to become reality in the near future. 2000 figures indicate that a mere 3.1 percent of the population uses the Internet and forecasts a 10 percent annual increase. At this rate, it will take 21 years to reach a 25 percent rate of Internet penetration. Although computer literacy will increase among the younger generation, older people may never reach e-literacy. With Internet access costs representing at least 10% of the average wage (for a limited connection) and with free public access (from InfoKiosks or public libraries) largely unavailable, most citizens are unlikely to become digital citizens;

- The G2B connection can be functional only after several years (at least from the

Figure 1. Main group interactions in e-government

The abbreviations represent Government to Citizen (G2C), Government to Government (G2G) and Government to Business (G2B)



technological point of view). For most enterprises Internet costs are not too high, but SMEs could find this cost prohibitive. The success of such a relationship will depend largely on the quality of services the government can provide;

The G2G connection is the largest problem and the one that can most easily be solved. The first step in revolutionizing the G2G relationship is redefining the role of government. A government that does not see its citizen as an integral part of itself will not be able to "go electronic." Second, it must reconsider intra- and inter-governmental relations. Furthermore, it must reform the internal processes and structures of public institutions to achieve better governance. Only at that point can refining informational systems improve the quality of service administration. Introducing technology and hailing it as e-government will yield inevitable failures and many fruitless efforts unless it is preceded by

thoughtful reform of government's role and responsibilities.

Electronic government is not a goal in itself. Unfortunately all the thinking about e-government and the corresponding efforts undertaken in Romania, as small as they are, were until now initiated from outside (in recent years by the European Union). Furthermore, they have been technology-oriented at the expense of social, political and economic concerns. A more comprehensive view of the issue, a better coordinated strategy and an approach more closely reflecting Romanian realities could induce greater impact at lower costs. In Romania, political habits and budget restraints make it difficult to introduce Information Society on a large scale. The lesson should be clear: think great, start small.

Looking through the Information Curtain at the CIS

by Zhazira Kaliyeva

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In some parts of the world, electronic government services and capabilities have brought revolutionary changes to everyday life. In other places the lives of people have barely been touched by these innovations. The development of e-government in these regions must accommodate certain unique conditions and needs, overcoming obstacles that may include a lack of infrastructure, corruption, weak educational systems, a continuing oral tradition and unequal access to technology. If people in such countries as the former Soviet states are unable to acquire the capabilities for using such new applications, they will grow increasingly and disproportionately disadvantaged.

The fSU already boasts a fairly well developed infrastructure, providing a strong base for growth in e-government competencies. Their governments are embarking on ambitious projects to bring the nation into the digital age. Public access to the Internet is growing alongside cellular phone usage and other technologies, as entrepreneurs continue to find places with public access to the cyber world in regional centers. In the field of education, there has been some progress in terms of distance learning and Intranet-type connections between university departments. However, in e-government the recent achievements of the Internet revolution have not yet fully reached the states of the fSU.

Given the capital-intensive nature of the telecommunication sector, foreign companies are key actors in the CIS telecommunication market. Almost all cellular service operators and major Internet providers are established with the participation of foreign capital. At present, foreign companies also finance some web-portals. According to surveys, most local companies do not offer corporate web-pages, although the majority do not exclude the possibility of establishing them in the near future. There are also encouraging signs emerging from the e-com-

Figure 2. Romanian electronic services by the author's estimate

Public Services for Citizens		Stage
1.	Income taxes: declaration, notification of assessment	1
2.	Job search services by labor offices	3
3.	Social security contributions (3 out of the following 4: unemployment benefits family allowances, medical costs (reimbursement or direct settlement), student grants	0
4.	Personal documents	1
5.	Car registration	1
6.	Application for building permission	1
7.	Declaration to the police	1
8.	Public libraries	1
9.	Certificates: request and delivery	1
10.	Enrollment in higher education / university	1
11.	Announcement of move / address change	1
12.	Health-related services	0
Public Services for Businesses		
1.	Social contribution for employees	1
2.	Corporate taxes: declaration, notification	1
3.	VAT: declaration, notification	1
4.	Registration for new companies	1
5.	Submission of data to statistical offices	0
6.	Customs declarations	1
7.	Environment-related permits (including reporting)	0
8.	Public procurement	0
Total		17

merce sector: customers may order goods and services on-line, although such goods are delivered only after payment by an off-line cash transfer through a reputable bank. One of the barriers to developing e-commerce here is the overall absence of legislation validating online transactions.

Although the growing economy has created a demand for skilled knowledge workers and professionals, skilled labor remains in short supply, especially in the Information and Communication Technologies (ICT) sector and manufacturing industries. To address this issue, the governments of most CIS countries are investing in high-quality, comprehensive education systems designed to meet evolving workplace demands. They have additionally emphasized ICT sector development through the implementation of National ICT strategies. But technological improvements, while important, are insufficient to the development of electronic government.

Since every society in the region has different needs and priorities, there is no one model for e-government and no universal standard for e-government readiness. Each society's and government's readiness for e-government depends upon the objectives and specific sectors it delegates as priorities, as well as upon the availability of resources, a factor that could fluctuate according to budgets, donors or investors.

Many ministries and other government agencies (including local bodies) in the CIS are planning a number of measures, including enhancement of their internal information systems, business processes re-engineering and the introduction of some forms of electronic document flow. However, none are yet using a systematically integrated e-government approach or Internet-based solutions for redesigning business processes. Because of this, they will have to reallocate time and resources in the near future to adjust their systems to modern e-solutions.

Under present conditions, the most promising area for using online governmental support to advance the development of democracy is in representative and decision-making bodies. A substantial investment in the information infrastructure of parliaments, legislature, local councils, commissions

and task forces at all levels of government is required. The best way to ensure that the online citizen is involved in decision-making is to adopt online tools into official democratic processes.

Several CIS governments view the establishment of an "information society" as building the foundation for its e-government plans. For them, this idea defines the entire e-government vision—citizens, businesses, schools, public administration and service industries becoming information-based, and ICT becoming part of people's daily work and lives.

However, citizens often distrust their governments, especially in places with a history of authoritarian rule, political instability or large-scale corruption. Lack of public trust can lead to failure or serious delay in implementing e-government initiatives. Citizens in the CIS are accustomed to facing difficulty when dealing with governmental bodies, including bribery and harassment as well as being required to make frequent trips to the country's administrative center. Officials frequently delay the issuance of certificates and permits with the intention of extracting a bribe. However, complaints cannot be filed easily when the appropriate ministries are at a distance or out of reach.

Several FSU countries are beginning to empower people and eliminate the traditional *ad hoc* way in which officials deal with citizens. Partnerships with the private sector are especially promising where there is the possibility that e-government services can create revenue streams or that

the models for service distribution are replicable in other agencies or governments. Here, the introduction to e-commerce that has factored in the FSU for the past two years has proven extremely valuable. Empowering people to expand their knowledge is one of the most effective ways the Internet can support people in their efforts to fight poverty. The technical and market information available via the Internet can contribute to the increased productivity and commercialization of local products. However, it must be taken into account that most people in the CIS region have little or no opportunity to connect to the Internet. The cost of computers is still beyond the purchasing power of the majority of individuals. Moreover, development partners continue to reveal skeptical attitudes towards ICT as an appropriate means for development in rural areas where communities lack even the most basic municipal services.

The viability of such partnerships will require creating a new perspective among officials, particularly in emerging economies. Building trust in government will be paramount in ensuring that stakeholders (i.e., citizens, businesses, officials, civil society groups and others) and the public will be partners in the e-government effort. A step toward the remedy for lacking public trust would be increasing transparency through the provision of interactive online consulting services and answers to Frequently Asked Questions via e-mail.

UNDP Newsletter on Civic Engagement

The UNDP newsletter on Civic Engagement presents five lessons learned in this area, along with "What to Do?" and "Examples" sections for each lesson. References, particularly strong in UNDP sources, provide possibilities for further reading on the topic.

The lessons are as follows:

- Including non-state actors in development initiatives is a potential source of enhancing ownership and participatory governance.
- The institutional framework for effective civic engagement requires access to relevant information.
- Expanding the participatory process to include marginalized groups can multiply their capacity to improve their own welfare.
- Capacity-building for civic engagement can help citizens play an informed role in policy decisions and create political space.
- Civic ownership is a reservoir of political, economic, cultural and moral resources to check the accountability and transparency of state institutions.

The full 12-page document is available at:

<http://www.undp.org/documents/essentials/CivicEngagement-Final31October2002.pdf>



Transparency will be further increased through the publication of government transactions online, which provides access to anyone, anywhere, at any time. Increasing the impartiality and integrity of such operations reduces opportunities for discretionary use of public funds. Additionally, traceable electronic records of transactions limit the chances for corrupt practices and increase the accountability of public officials.

Building a good information network opens a window for greater participation in the management of everyday social services, which are essential for economic and social development. In addition, public Internet access facilities may lead to higher participation in grass-roots public life, which will progressively improve the quality of local governance.

Decision-making bodies should host well-organized interactive online hearings and events to complement their in-person public appearances. Citizens should be able to testify live via the Internet to in-person meetings. Evolution toward interaction is essential for full realization of the potential of existing and future Internet tools to promote public participation in government. Governments have the unique responsibility of ensuring broad access to formal participatory processes. Online interactive events geared toward the general public should complement corresponding opportunities that are available to all regardless of knowledge of or access to the Internet.

In the meantime, government officials must understand e-government as responsive to changes outside of government. How a society—its citizens, businesses and civil society—relates to government and information is changing radically in many parts of the CIS region. Citizens are starting to expect government services to equal those services offered by and expected of the private sector. Over time, citizens will act more like consumers. Government will have to respond, and e-government is one tool that can help.

Assessing International Fiscal and Monetary E-Transparency:

Some Results and Implications for Eastern Europe and the Former Soviet Union¹

by Bryane Michael, Oxford University, [bryane.michael@st-catherines.oxford.ac.uk] and Michael Bates, Vice President of Oxford Analytica and former Member of UK Parliament

Since the mid-1990s, governments around the world—and especially in Eastern Europe—have been making efforts to put documents on the Internet, report fiscal data electronically and provide more transparent descriptions of public sector activities. The International Monetary Fund (IMF) has been leading the evaluation of these efforts at the international level in its development and implementation of Codes of Monetary and Fiscal Transparency.² Implicit in the development of these Codes is the improvement of policy-making and the strengthening of the international financial system through the use of information and communications technologies (ICTs) in government for the creation of an “e-government” capable of transmitting information required by the Codes.

Leaders in the e-transparency race

Despite the superficiality of using scores to represent nations, such calculations are a useful heuristic for grasping international trends quickly. Figure 1 presents aggregate ratings for monetary transparency compared with aggregate ratings for fiscal transparency for each country. There appears to be a correlation between fiscal and monetary transparency, where fiscal transparency scores in all cases are lower or equal to measures of monetary transparency—suggesting

that improving fiscal transparency should be a priority of e-transparency activity for Eastern European and FSU countries.³ However, the correlation is not very strong. Hungary and Poland receive relatively high marks for monetary transparency (both countries scoring 4). Yet, Poland rates 2 and Hungary rates 4 on fiscal transparency. Given the variability and country specificity of these data, it is not possible to define a “transparent country.” Any reference to the transparency of a country must define clearly the institution and standard being discussed.

Despite the difficulty involved in making inter-country comparisons, the data suggest there are “clusters” of countries with high and low transparency.⁵ To some degree, there is a correlation between the countries represented in these clusters and the set of upper-middle and high income countries—with of course a few exceptions. Comparing countries, one sees that OECD and many middle-income countries tend to be more transparent, while lower-income countries rate low on both fiscal and monetary transparency. Perhaps this trend is related to e-government capacity?

E-Government and e-transparency

Ostensibly, the degree of “e-government” (namely the degree to which government uses the Internet as part of its operations and information dissem-

Figure 1. Monetary and Fiscal Transparency World-wide⁴

Monetary				
Fiscal	1	2	3	4
4			Argentina Brazil Hungary Chile	Czech Republic
3			India Malaysia Morocco Taiwan	Columbia Peru, S.Korea Israel, Mexico Poland, Phillipines
2		Venezuela Sri Lanka	Jordan Russia Thailand	Indonesia
1		Pakistan China		Turkey

Note: Higher scores imply greater transparency. These data are illustrative only and do not represent direct inter-country comparisons.

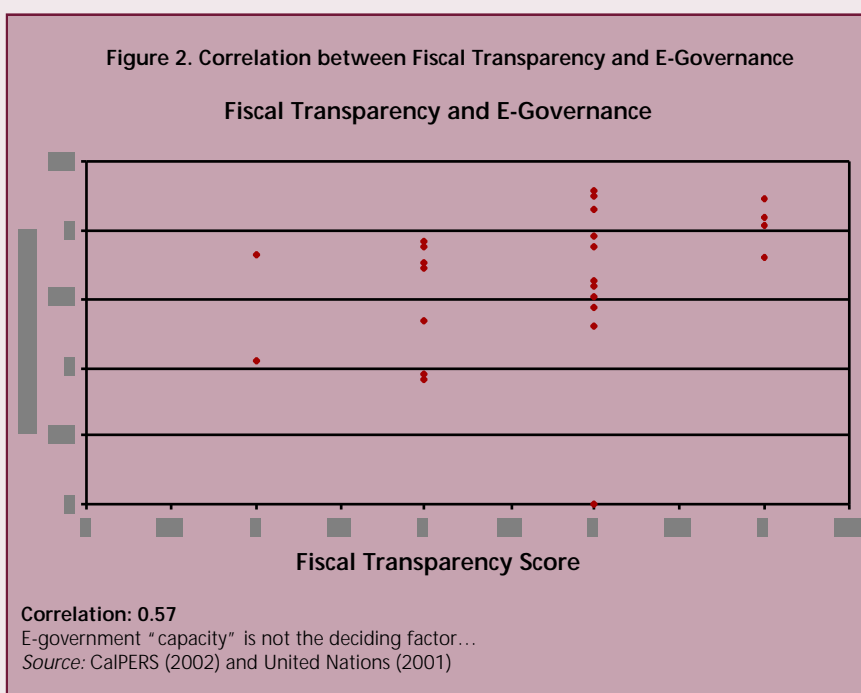
ination) should be a determining factor in a partially Internet-based transparency assessment. The hypothesis underlying much work on transparency is that ICTs are key in promoting transparency (Reilly, 2002; Heeks, 2001). Yet, the data show a weak correlation between transparency assessments and the level of e-government.

Figure 2 shows the correlation between fiscal transparency scores and the United Nations' (2001) "E-government index." The quantitative correlation between e-government and fiscal transparency appears weak. In several cases, such as Turkey and Russia, e-government was well-developed and yet public sector organizations had not undertaken efforts to increase the transparency of their operations. Indeed, for countries that have "enacted" fiscal transparency measures, e-gov capacity spans the spectrum, from minimal to high. Thus, institutions and policy appear to play a greater role in transparency than technological capacity.

Policy implications

As countries such as Hungary and the Czech Republic advance into the next stages of the e-government teleology and other countries such as Russia reflect on lessons learned and best practices, policy-makers in all transition countries should keep five points in mind:

- First, nothing ensures the teleological evolution of e-government. The existence of laggard countries, the fairly high degree of variability in the sub-components of transparency scores, and even the lack of inclusion of a number of transition economies in the transparency assessment (such as the Balkan countries) highlight the important role of institutions and policy. The global opacity of fiscal institutions relative to monetary ones also points to the role of institutions and policy.
- Second, transparency appears to depend less on e-government capacity than on specific country and organizational policies (which also affect e-government policy decisions). While the important role of policies has received a great deal of attention (Roland, 2000; Gros and Steinherr, 1995), the drive to implement "e-transparency," just like the drive to promote e-government,



depends not on technology but on the methods of project design, implementation and assessment (Herman, 2002).

- Third, e-transparency is not an unambiguous "end-state" but serves public sector objectives—be they increased trust, predictability, oversight, credibility and political accountability in government. For example, those with authoritarian backgrounds (such as in the Balkans) will seek to establish trust and will have a more difficult time building civil society oversight bodies, while countries with a more liberal history might stress credibility to promote monetary or fiscal policy objectives.
- Fourth, e-transparency is not a first step along the road to political inclusiveness but is a vital part of every step in the e-government "evolution." E-transparency provides a service to public service users and represents a change in political participation which represents the late stages of the e-government evolution. As many transition economies are now learning, wider political participation depends less on technology than on institutions and the leaders in them.
- Fifth, evaluation is a vital part of the e-government process. Benchmarking is useful for policy-makers but also for international investors and NGOs which can pressure transition governments for change. Yet, such benchmarking must not substitute for deep analysis.

Lastly, if objectives drive the success of these programs, then Eastern European governments should work with the IMF and other assessment bodies to make these objectives explicit. Rather than "one size fits all" universal codes of transparency, transition countries should tailor their e-government agendas to their transition objectives.

Endnotes

1. The following is a condensation of a larger paper presented at the Second Annual European E-Government conference. The original paper treated the role of standards, knowledge management and project design issues. Readers interested in establishing evaluation systems should see the original paper.
2. As of April 30, 2002, 59 fiscal and monetary assessments have been published by the IMF.
3. However, part of the reason for this data may involve the diffuseness of the fiscal measure. Central Bank transparency focuses mainly on one institution and to a great extent is influenced by legislative and Central Bank regulation. Fiscal transparency however covers a wide range of organizations and their relations. Thus, just as it is difficult to draw inter-country comparisons, one must be circumspect in directly comparing fiscal and monetary transparency.
4. Data from Wilshire report to CalPERS (which contained the Oxford Analytica data):
<http://www.calpers.ca.gov/invest/emergingmkt/wilshirereport.pdf>.

- To remove subjectivity from the clustering process, Statistica's formal statistical 2-means clustering technique was used to differentiate these groups.

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Reform and Information in Albania

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This article presents the view of the Albanian Government's ICT strategy. It presents one view of the status of ICT development in Albania in terms of its availability as a tool to develop e-government.

ICT development in Albania

The potential of ICTs has not yet been deployed in Albania for purposes of improving processes of governance and enhancing transparency and accountability, or for addressing the needs of information flows and knowledge building in other fields of development.

Albania is in the initial stages of adopting ICTs as tool for development. Working within a context of economic difficulty and political turmoil, Albania has lagged behind in this process. The telecommunication and information technology infrastructures are still of limited reach, particularly beyond Tirana and a few other major towns, and the extent of Internet services and use in Albania remains one of the lowest in Europe. The absence of a comprehensive national policy in the area of computerization and ICT-capacity building has hindered public and private initiatives. Human resources are insufficient and suffer from a "brain drain" to countries offering higher wages.

State of technology use in government institutions and public administration

Networking is limited to international organizations and a few government institutions. Technology as a tool for better governance and quality management is non-existent at the local level, despite the government's strong commitment to proceeding with local government decentralization reform. Database processing and public use of information are at an early stage of

development; they are still considered a future application of ICTs.

E-government initiatives in Albania

In Albania, several projects contributing to the build-up of a new understanding of e-government development in the country have been undertaken by international organizations. Such separate projects should be integrated in the future. Among the most notable projects in this area are:

- the installation of an Intranet in the directories of the Ministry of Education and Science, facilitating the interconnection of institutions in different districts;
- the online publication of a directory of import-export enterprises in the Tirana region, a project undertaken by the Chamber of Commerce and Industry;
- the pilot project for the establishment of an Information and Services Center in Elbasan Municipality to assist local capacities to increase levels of information about social services for their citizens, facilitating better service; and
- projects establishing citizen information centres in cooperation with municipalities of Gjirokastra and Kukes.

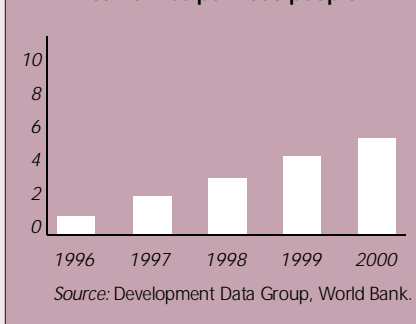
All ministries and other governmental organizations already have a network linked with respective Internet service providers (ISPs). Almost all ministries and most governmental agencies offer websites providing basic information, most of which is static and infrequently updated.

E-government in the framework of ICT Strategy

The actual design of the ICT strategy for the Republic of Albania is a subordinate of the political program of the Albanian government for the period 2002–2005. Several actors are involved in the push toward government in the information society: businesses, citizens, civil society and donors. The strategy will be developed within the context of the National Growth and Poverty Reduction Strategy, the European Stabilization and Association Agreement, and sub-regional activities under the EU Stability Pact.

The government of Albania has recognized the need to introduce ICT widely in the country in order to achieve higher living standards and economic growth. To

Albania: PCs per 1000 people



do so, the government will have to promote its use, taking over a role as champion and visionary to drive forward the process of creating the information society. The government will have to set the example, provide legal and judiciary support, and, as a user of ICT, stimulate investment in the sector.

The introduction of ICT is not a goal in itself. While it is true that technology can serve as catalyst to change, here the process refers to a much larger re-orientation of government services, implying changes in work procedures and attitudes of officials. The government's political program states that Albania is in "the process of placing the state at the service of the citizens," confirming the goals of the ICT strategy. ICT will contribute to the "consolidation of the public administration and the state's fundamental institutions," and act as a decisive factor in the government's process of "decentralization of power." ICT will play this role only if integrated within processes of institution building and administrative reform.

The strategy should be based on internal capacity and resources; donor support should enable sustainable development without creating dependence on external funding. The strategy should be realizable in the short or at most medium term, and implementation should take no longer than five to ten years. Measuring the progress of such strategic actions will be important; context will be an important indicator in defining and measuring the status of development.

E-government context

A fully functioning e-government cannot be built in a single attempt. It involves the piecemeal addition of services, so as not to abruptly replace traditional services. Both the traditional and electronic means of communicating with administrations have to co-exist at the same time to assure a smooth transition. There are two reasons for this: first, the users have to accept the new ways of communicating and learn how to use them; and second, electronic services require the existence of a networked infrastructure, which will also be built gradually.

The public sector consists of many autonomous and half-autonomous

organizations. To assure the interoperability of independent information systems, ICTs must be coordinated on implementation to ensure interoperability rather than top-down direct control over development processes.

Care should be taken that government services are made available not only in major urban areas, but that they are also accessible in rural areas and remote places. The realization of the strategy will prioritize local government services, to be defined taking into account the Growth and Poverty Reduction Strategy (GPRS), and other policies and strategies defined in eSEE and EU policies.

E-government services of government institutions at the central level

Some of the proposed projects/activities in the framework of the strategy are:

- Overview of e-government in other countries and description of its applicability in Albania;
- Development of an overall concept and plan of government information systems and e-government services;
- Organization of IT services within government administrations;
- Definition and implementation of selected services;
- Development of interactive web-based access to public information; and
- Civil servant training.

E-government services of administrations at regional and local levels

Some of the proposed projects/activities in the framework of the strategy are:

- Develop scenarios for ICT and e-government usage in local administrations with an emphasis on remote areas;
- Regional "Informatization"—connectivity for local governance;
- E-services to citizens and businesses, including electronic registration of companies, electronic tax declaration and collection, information kiosks for citizens, electronic payment and mobile database access for police forces; and
- Training all civil servants in local administrations in the usage of new information systems.

E-government projects currently in the design phase include:

- a computerized system for companies to report taxes;
- the development of Civil Registries, and
- the provision of an ID card.

For these e-government initiatives, Italy will be the strategic partner.

Recommendations

E-government development in the framework of designing a national ICT strategy for Albania is viewed as a tool for furthering economic development, reducing the budget and establishing clean, efficient governance.

The ICT strategy, still in the design phase, should be elaborated as a detailed action plan associated with an appropriate financing strategy. In this process, the present situation of ICT in Albania as well as past and planned projects related to e-government should be taken into account. Four different types of actors (donors, government, private sector and consumers) should actively participate in the realization of the strategy, each offering different financing options.

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E-Poland and E-Poles

by Dr. Tatiana Majcherkiewicz
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Poland's progress

In many ways, Poland has already introduced a suitable framework for e-government. Most central, regional and local administrative units have their own websites, many of which are quite comprehensive, colorful and user-friendly (often an English version is also available). Only some of the smallest local communes have been left behind. The "e-Polska" strategy guiding the creation of central administrative units' websites mandates that all public departments have their websites completed by 2003. Most of these already offer a great deal of information, including: recent parliamentary acts applying to that branch of the administration with which they deal (all public documents, according to e-Poland, are to be available by 2005), and descriptions of organizational structures and timetables for action. In addition, links between ministries and other central administrative institutions are quite common. The intended audience for these central administration websites is professionals, who use the information

detailed on the web to further their knowledge of certain issues. However, in a few limited cases, central government websites have also been used for purposes of popularizing reform. For example, during the launch of four separate reforms in 1999 (in the areas of health, insurance, education and territorial administration), the government published short online descriptions about the necessity of these reforms, the standing benefit to the performance of institutions and correspondingly to ordinary citizens.

Some websites feature, although rather limited, information about ministers and deputy ministers and the dates they were appointed. Data concerning the professional careers of the administrative elite are presented for some members, but this is still quite rare. However, in a democratic system, information about administrative decisions has to be accompanied by information about the people who are making the decisions. The issue of greater transparency in administration and the fight against corruption necessitates publicizing information about the local, regional and central elite, including their former careers, party affiliations and their property before and after they were appointed or elected.

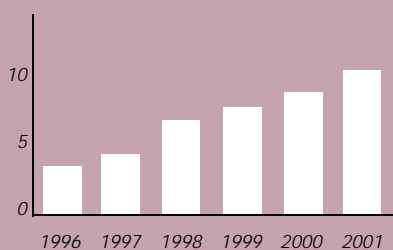
General trends in Poland show that local administration websites address themselves more to their citizens (who constitute their voters), using simpler language and trying to anticipate what information their citizens will be looking for. For example, some local government websites publish extensive information about local MPs without including even the name of the municipal mayor. Gradually, more information is becoming available for potential investors. Numerous local organizations, one of the most prominent among them being "Cities on the Internet," promote debate on e-administration, not only among Polish communes but also their counterparts in other Central European and Western countries. One of the main challenges now is not making information available, but prioritizing that which is most important considering the growing prominence of e-democracy and transparency applications of e-government.

E-government in Poland has to be viewed within the context of the e-Poland 2001-2006 strategy, inspired by e-Europe and adopted in the autumn of 2002 for the creation of the "information society." E-Poland is also often criticized for representing a list of expectations rather than a realistic program that will promote high-tech development and enable Poland to overcome its delayed start in establishing an information society. Moreover, it is criticized as fragmented, as each ministry works on its own program without coordination between ministries and regional administration units, whose role in promoting economic development is not sufficiently recognized. However, in my opinion the situation is much more optimistic: Poland often tries to compare itself to its EU counterparts; of course, it is not yet on par with these countries. But the main criterion of evaluation should be the progress that has been made in the last four or five years, since Poland began building its information society from scratch. If one compares the current status of Poland's e-society with its humble beginnings, one will recognize that the growth of the information society may be largely attributed to bottom-up processes, for example, local government associations promoting the use of the Internet in administration.

Implementation Strategies

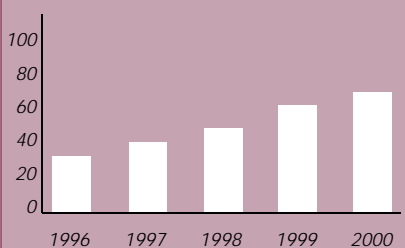
State policy at this point should aim to facilitate access to computer technologies and especially targeted to overcome the "digital divide" by addressing the rural populations, those with only basic and secondary education, and those over forty years of age. In this context, a program for computerizing schools initiated in 1998, called Interkl@sa [internet@class], is worth mentioning. By the end of 2001, 20,000 teachers had been trained in Internet usage, and 100 computer centers had been established. Although the final aim is to operate 300 centers, this first benchmark is especially significant in the contribution it makes to overcoming the urban-rural digital divide.

Poland: ICT expenditures (USD bil)



Source: Development Data Group, World Bank.

Poland: PCs per 1000 people



Source: Development Data Group, World Bank.

The most seriously limiting factor in the development of modern information technologies is the high cost of services offered by the monopolist Polish telecommunications agency. However, some piecemeal reforms have begun recently in preparation for competing in the EU, where telecommunications policy is quite liberal. The other main challenge to intensive high-tech development is the low level of expenditure in science, which is only 0.8 percent (GNI per capita), compared to an average of 1.9 percent in the EU and 2.6 percent in the USA. This level of expenditure is similar to some of the poorest EU countries (such as Greece and Portugal) and to Hungary in Central Europe. The lack of investment in this sector is not only critical to high-tech development but to the development of the country in general.

Information society is now advanced enough to undertake a more comprehensive evaluation of e-government services by regular Internet users—to answer such questions as: who are the consumers of e-government services, what are their needs, and how might the quality of different administrative units be evaluated or otherwise compared? The need for such a diagnosis is becoming more urgent for the further development of effective e-government. The creation of e-government was largely based on the assumption of its being a tool for communicating with citizens; now it is time to listen to its “clients” and provide the services they look for, while at the same time enhancing democratic capabilities. Promoting transparency and fighting corruption are not “top down” actions but rather are results of social control requiring widespread interest in public affairs. Thus, more consultation and dialogue with citizens should be intensively promoted.

It seems that in Poland, despite the rather advanced availability of Internet information, its use is still limited and shallow. Computers are still too often used only for its games and chat room features, with information gathering capacities being secondary. Thus, the main challenge for the Polish state is to incorporate Internet

technology and e-democracy policy into a wider program promoting democracy. The fact that information is available does not make it automatically interesting for citizens. The future of “e-Poland,” while bright, should be regarded with a certain amount of reservation. The advancement of information technologies in relation to the current stage of Polish economic development is quite promising. However, as stated above, it is much easier to build a technological framework than to promote democracy and activity of citizens; thus, development of e-democracy is a slow process despite the tool itself being quite attractive.

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New Europe Barometer 10-Country Survey

The latest multi-national survey from the Center for the Study of Public Policy covers the ten countries seeking European Union membership: Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia, Slovenia, Estonia, Latvia and Lithuania. The full results for each country are now published as *Studies in Public Policy No. 364, A BOTTOM UP EVALUATION OF ENLARGEMENT COUNTRIES*, with a detailed analysis by Professor Richard Rose, including comparisons with Russia. Order online at:

<http://www.cspp.strath.ac.uk/abs364.html>

New ICG Reports—Central Asia and Kosovo

Finding the Balance: The Scales of Justice in Kosovo discusses the notion that in order to ensure sustainable peace in Kosovo, an independent, effective and transparent justice system is needed. The *OSCE in Central Asia: A New Strategy* addresses the impact that the Organization for Security and Cooperation in Europe (OSCE) has had in Central Asia. The report states that a new strategy is needed that broadens and deepens OSCE’s activities in security and economic affairs, while retaining its traditional strength in addressing human rights abuses.

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Regional News

Special Focus

EU Enlargement Report 2002: Roadblocks Removed But Doubts Persist

by Claus Schultze, EU Interreg, IIIC East, Vienna
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Brussels clears final hurdles for big enlargement round

The 2002 progress reports of the European Commission and the updated enlargement strategy published in October 2002 confirmed the "big bang" scenario the Union had set out for its historic fourth round of enlargement in December 2001: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia are poised to join the Union in 2004. As for the remaining Candidates, the report said that Bulgaria and Romania will have to continue their effort of internal reform and alignment with EU standards for several more years. The Commission expects them to be able to join the EU by 2007. As for Turkey, the Commission praised the outgoing government's recent steps of fundamental reforms but stated that was too early for opening negotiations, since Turkey does not fully meet the EU's criteria for membership.¹

The Commission's enlargement report and strategy paper was fully endorsed by the EU Members at the Brussels European Council on 24 and 25 October 2002 and a mandate was given to the EU Presidency to finalize the negotiations in Copenhagen on 12-13 December. In a separate preparatory meeting, EU Foreign Ministers determined that the ten front-line countries could physically join the Union on 1 May 2004, while starting to receive EU subsidies from 1 January 2004. According to the EU ministers this scenario leaves enough time to conclude the necessary ratification of the Accession Treaties by national parliaments in the EU and in the Candidate States. The designated new Member States will participate in the 2004 elections for

the European Parliament as well as in the next Intergovernmental Conference to be held at the end of 2003, whose task it is to review the EU treaty based on the recommendations produced by the currently proceeding EU Convention.

An EU Heads of State meeting in Brussels in October 2002 convened to lay the groundwork for the historic Copenhagen Enlargement Summit achieved consensus on all remaining important questions with regard to accession. Most importantly the delegates were able to adopt a common line on the question of EU payments to farmers in the new Member States. The negotiation position approved in Brussels was based on an earlier Commission proposal as well as on a late deal between France, the main beneficiary of EU farm spending, and Germany, the biggest net contributor to the EU budget. The decision foresees to phase in direct aid to farmers in the new Member States starting with 25 percent in 2004, rising annually by 5 (until 2007), and then later by 10 percent, to reach 100 percent of the support level of the old Member States in 2013. At the same time overall farm subsidies will be capped after 2007. This deal, while being criticized as unfair by the Candidates, effectively sacrifices the reform of the EU's unsustainable and costly farm regime on the altar of EU enlargement. It postpones and possibly derails the agriculture reform package proposed by the European Commission, a delay with large-scale negative implications for the environment and consumer protection in the EU and for international trade.

Another important financial element agreed upon by EU leaders in Brussels was that a total of 23 billion euros should be provided for EU structural and cohesion funds for the new member states in 2004-2006. In addition, any new member state will be entitled to a temporary budgetary compensation for the same period in case its cash flow balance with the EU budget will be worse than before joining. This meets concerns by the Candidates that they might initially pay more into the EU budget than they would get out in terms of subsidies. The new members will be expected to contribute to the joint EU budget from the first day of membership while there could be a considerable lag between their entry and the flow of programmed subsidies particularly in the fields of structural aid and agriculture.

But, however hard the Danish EU Presidency

lobbied, disagreement over the terms offered by the European Commission continued until the last moment and was only finally solved at the Copenhagen Council when the EU pledged to make an extra 1 billion euros available to Poland and up to 3 billion euros in extra aid to the other nine. Under a special deal, Poland—which stood firm until the very last minute of the negotiations—was granted the right to use 1 billion euros to bridge gaps in its state budget from topping up direct aid to farmers. All of the details agreed in Copenhagen as well as the agreements made in the 30 policy areas (chapters) of the negotiations will be set down in a 6,000-page accession treaty for the 10 Candidate Countries to be signed in Athens on 16 April 2003 under the Greek EU Presidency. The treaty will then have to be ratified by parliaments in all 15 EU countries and it will be subject to referendums in all Candidate Countries except Cyprus.

The costs of enlargement that have occupied such an important place in the discussions among the EU-15 are certainly significant, but remain manageable for the EU. The new members will receive substantial transfers—at least 3-4 percent of their GDP: "Measured as a percentage of GDP these transfers will be much larger than those received initially by Spain or Portugal and they will make the Marshall Plan look modest" as one analyst remarked. However, money from Brussels for direct aids to farmers will not be the solution to deep-seated structural problems in the agricultural sector and elsewhere. It will not solve the problems of excessively small holdings, poor know-how and underdeveloped phyto-sanitary systems in countries such as Poland. And the longed-for Structural Funds will certainly be useful, but only if wisely spent, and if not affected by widespread corruption or administrative inefficiencies, as EU experience with aids to areas such as the Italian Mezzogiorno has demonstrated in the past.

Experience with pre-accession funds has shown that the Candidate Countries have been slow to spend billions worth of structural aids. This, according to Commission officials, is largely due to a lack of expertise and shortfalls in administrative capacity. The candidates simply lack the administrative ability, expertise and sometimes resources to cope with the complex workings of the funding exercise. For example, in ISPA, the pre-accession facility for infrastructure funding:

the European Commission formally limits its role to approving projects and the tendering, implementation and monitoring of projects is undertaken by the candidates. According to Commission reports, the procedures applied by the candidates often fall short of EU standards. The candidates lack sufficient knowledge of EU rules, the officials say, a predicament which has already forced the commission to overrule a number of contracts authorized by candidate countries.

All this highlights the actual need to embark on a real campaign towards further improving the administrative capacities in the Candidate States: In contrast to earlier progress reviews, the Commission analyzed this time not only the preceding year but the whole period of accession preparations since 1997. Apart from simply noting the progress of the Candidates, the reports pointed to inadequate institutional capacities and a disturbing lack of administrative preparedness in a number of crucial policy fields such as customs services, taxation, food safety, agriculture and regional policy as well as for justice and home affairs. The Commission also pointed to serious problems with corruption in at least half of the CEE Candidate States and demanded effective implementation of the Candidates' policies in the field of minority protection, in particular with regard to Roma communities.

Monitoring administrative capacity beyond enlargement

The Commission has warned that it is intensifying its monitoring in the final stage of the accession process, checking in particular whether the Candidate States implement the commitments they made in the negotiations. In addition, the EU Member States have endorsed Commission proposals for providing in the Accession Treaty a series of safeguards that relate to possible failures with implementation. These safeguards concern mainly the operation of the Internal Market and the area of Justice and Home Affairs (i.e., the management of the new common external borders of the EU). They give the Commission a mandate to intervene early on, in the event of serious problems in the final run-up to accession or at any time up to three years after accession.

Such safeguards reinforce the usual mechanisms by which the Commission monitors the implementation of EU law. Such mechanisms include periodic Commission reports to the Council, infringement proceedings, and dialogue between the Commission and Member States on implementation problems. Less binding, but not necessarily less effective, are alternative governance instruments of peer review and bench-

marking that are increasingly being applied inside the Union. Their aim is to develop compatible policy practices and administrative structures leading to policy cohesion. An example for this is the so-called Open Method of Coordination in employment and social affairs that has already been extended to the Candidate States.

To assist the Candidates the Commission has offered additional funding to implement Action Plans for administrative and judicial capacity with each individual Candidate Country. The Action Plans have already been prepared in early 2002 jointly with each negotiating country. They identify the concrete measures which remain to be taken to achieve appropriate levels of administrative preparation. The additional assistance of up to 250 million euros in 2002 for this exercise is bringing the EU's total support to strengthen the administrative and judicial capacity of the negotiating countries in 2002 to around 1 billion euros. The purpose of the Action plan is to identify, for each country, the steps required to reach an adequate level of administrative and judicial capacity by the time of accession.

The Action Plans foresee a range of measures to strengthen public administration and remedy specific weaknesses identified in a number of applicant countries. These concern issues such as the adoption of outstanding basic legislation, the establishment of a civil service office, the development of a civil service code of ethics, the training of staff, the strengthening of human resources management departments, and the development of impact assessment or quality control capacity. The plans also address the need to build capacity in terms of managing EU funds. This requires appropriate structures at central, regional and local levels to fulfill such tasks as the application of public procurement rules, financial control, audit and the fight against fraud and corruption. This includes statistical capacities, since reliable statistics are a key element in implementing Community policies in many areas.

The Action Plans further address weaknesses in agriculture, fisheries, regional and structural policy, the environment, social policy and employment, transport safety, nuclear safety and energy efficiency, where the capacity to enforce EU standards has to be strengthened. The Plans also target actions to strengthen the internal market, encourage competition, strengthen regulatory structures with regard to telecommunications, postal services and audiovisual policy and reinforce the capacity of the tax and customs authorities. They also foresee the overall protection of the EU citizen with regard to guaranteeing food safety and consumer protection. Lastly the Action Plans

include implementing a judicial reform strategy, introducing measures to guarantee adequate financing of the judicial system, simplifying court procedures, developing probation and mediation services, and training judges in good judicial practices and EC law.

Close attention is to be given to developing effective anti-corruption strategies. However, while the desire for EU membership has clearly generated an unprecedented momentum for modernization and reform in the Candidate States, the widespread problems of corruption repeatedly identified by the Commission in previous years and stressed again in this recent report will clearly not be remedied before accession, with serious implications for administrative and judicial capacity.

Corruption and administrative capacity

Although corruption has so far not been perceived a serious enough problem to prevent countries from fulfilling the EU's political criteria for membership, corruption in the new member states may soon become a problem for the EU. Bureaucrats and politicians in Brussels are already concerned about a massive increase in fraud with the EU's structural and agricultural funds after enlargement. The EU's disbursement system is historically plagued by irregularities. According to a recent Commission press release cases of fraud against the EU's financial interests were recorded mainly in the fields of agriculture, structural funds and external aid. The cases of fraud in this field normally involve the use of false invoices and declarations. Although the EU's control system has recently been pepped up by creating OLAF, the European Anti-Fraud Office; the sheer scale of the EU's financial interventions makes it impossible to control payments effectively. Another handicap of OLAF is, that is completely up to national law enforcement authorities to make use of its findings: "The success of the Office [i.e., OLAF] depends on its effectiveness and its role in fostering co-operation between national agencies... and by the construction of trans-European anti-fraud structures, legislative, administrative and judicial... This is particularly important as enlargement approaches," said the Head of OLAF, Franz-Hermann Brüner, when presenting his activity report this autumn.²

For years, the EU has been unable to make progress on this issue. The "Convention on the Protection of the European Communities' Financial Interests," was signed as early as 1995. It took the EU seven years to ratify it. It finally entered into force in October this year, Belgium, Ireland and Italy being the last countries to ratify the Convention during 2002. Only now has



fraud and active or passive corruption against the Community been made a criminal offence in all Member States. The Commission announced that it will closely examine how the Member States incorporate the obligations arising from the Convention into their criminal codes and will publish a report on the matter next year.

Leading EU figures are rightly concerned: Corruption is not only bad for societies and economies, it threatens to undermine day-to-day implementation of EU law, from keeping environmental and health standards to guaranteeing the four freedoms and anti-discrimination to future EU citizens. From a recently published report by the Open Society Institute³ we learn that corruption extends deeply into the political and legal systems of some of the Candidate States even capturing the process of lawmaking and that harmonization with EU standards has done little to reduce overall corruption. The report finds that the EU itself, although criticizing the Candidate States for their poor corruption records, does not have a "clear and well-enforced [anti-corruption] framework of its own."⁴

OSI further notes that the EU has been unable to persuade member states to adopt existing instruments, such as Council of Europe's Criminal Law Convention on Corruption, which has so far been ratified by only three Member States, whereas, "armed with the Copenhagen mandate, the Commission had helped convince all but two of the CEE Candidate States to do so." Indeed, with the notable exception of the Nordic countries, most of the EU member states show significant levels of corruption with potential negative implications for the allocation and distribution of EU funds. Taking Transparency International's Corruption Perception Index as a benchmark,⁵ four of the eight CEE Candidates, the Czech Republic, Latvia, Poland and Slovakia rank below Greece, the EU country with the highest perceived level of corruption, while two other Candidates, Hungary and Lithuania, fall below Italy (the EU country that scores second in the list of most-corrupt EU countries). Estonia and Slovenia are about par with France and Spain, which occupy places three and four on that list. For Cyprus and Malta no figures are available. Corruption is, thus, a common EU problem, which is often deeply entrenched in local traditions and behavior patterns of its member communities; much more should be done at EU level to fight it. A first step would be not to ignore the problem on political level and sweep it under the carpet out of false diplomatic courtesy but to name and shame the countries that are dragging their heels on the issue. It could also be useful to apply peer review such as under the Open Method of Coordination to a coordinated EU-wide action against corruption.

Judicial Capacity

The corruption issue highlights the necessity to upgrade legal systems in the Candidate States (and in the EU) but also to provide EU-wide standards on how the judiciary should be organized and should function. Without a functioning, non-corruptible judicial infrastructure, EU rules cannot be consistently applied and enforced throughout the EU territory. In its progress reports, the Commission issues concern about the judicial capacity in the Candidate States. In line with Commission findings, but more outspoken in its verdict, the OSI's own recently released monitoring reports have also highlighted that "the judicial infrastructures in EU Candidate States of Central and Eastern Europe cannot guarantee a consistently independent, competent and accountable judicial process."⁶ OSI also criticized the EU for lacking a coordinated and effective response to corruption in the Candidate States, particularly since pre-accession advisers provided by the Member States and financed by the EU have often encouraged Candidate States to adopt common practice of their own countries, which sometimes were not up to international standards.

The most commonly identified problem with judicial systems in the Candidate States is finding the right balance between independence and accountability of courts. In some countries, such as Bulgaria, the Czech Republic, Latvia and Romania, the executive tends to intervene unduly into the judiciary, whereas in Hungary and Lithuania, it has been said that judges have extensive autonomy. This is also a topic in EU countries, most notably in Italy, where the center-right government is heavily tampering with the judicial process and the judiciary in turn has been accused of being politically motivated. However, no EU country has to go through as comprehensive a health check as the Candidate States now have to.

Another often identified problem is underfunding of courts, especially in Latvia, Lithuania and Romania, and the correspondingly low professional standards. This is, of course, a problem which affects all of the Candidate States administration at all levels of government and which makes it hard to build capacity, since salaries and benefits in the private sector as well as career options are far more attractive to ambitious administrators and lawyers. The EU bureaucracy itself will absorb a number of their brightest representatives, since some of them can easily tenfold their salaries by moving to Brussels once they have passed the entrance exams for the services of the EU institutions, which are held next year.

This will be particularly attractive for female graduates and administrators since equal oppor-

tunities is something still unheard of in many of the Candidates' administrations.

Other deficits, such as identified by the Open Society Institute in the above-quoted report, concern the lack of judicial training and performance reviews, a need for professional management of courts, including better and more supporting staff, and the need for simplified procedures, alternative methods of dispute resolution and the decriminalization of petty offences. All these measures could help to ease the backlog of cases that plagues most Candidates and is badly needed in sight of EU accession. Following enlargement the general lack of appropriate administrative capacity in applying and enforcing EU law in many of the Candidate States will invariably trigger a high number of legal action by enterprises and citizens alike, which will be a further stress on the already overburdened legal systems in the Candidate States.

Administrative capacity at the sub-national level

In its 2002 progress reports, the Commission points to the need to further improve the capacity of national as well as sub-national authorities with regard to regional policies, including the development of sound financial controls, in all Candidate States. A lack of sub-national capacity has also been mentioned with regard to enforcement of EU policies in environment and agriculture. However, as regards the sub-national level, its capacity or non-capacity to cope with EU membership has, for a number of mainly legal but also logistical reasons, been rather neglected in the EU's negotiations with the Candidate States. There has been some Commission pressure to establish regionalized structures mainly for effective implementation of the EU's regional policy and for ensuring appropriate administrative capacity, but this is as far as the EU goes in intervening into matters, which, according to official doctrine, are internal to the Member States, no matter how far-reaching the impact of the EU *acquis* for cities and regions.⁷

As concerns administrative capacity, two EU-measures originally targeted at the national level, Phare Twinning and TAIEX technical assistance, have been opened to groups of regions from the Candidate States. A smaller number of twinning and technical assistance measures have also been programmed for this target group and are currently being implemented. Some of these technical assistance measures also focus on local authorities, mainly targeting big cities, for instance in delivering assistance in implementing EU legislation in the water and waste sectors. However, to benefit from wider measures to build administrative capacity, cities and local



authorities so far have had to rely mainly on their own initiative or the initiative of their EU partners (twin cities and networks) to get involved in transnational projects. Projects that allowed cities from the Candidate States to gain exposure to the EU are co-funded either by various sectoral EU programs or by Member States national funds. Some of the Candidate States such as Lithuania and Hungary have made available parts of their national Phare-funds to cities and regions to facilitate participation of their cities and regions in EU programs such as INTERREG III. The INTERREG III Community initiative for transnational, cross-border and interregional cooperation between cities and regions in the EU, running effectively from 2002 to 2008, presents a tool for exchanging experience and building local and regional capacities with Candidate States in the field of regional development policies. However, finding matching funding from PHARE and other funds before the Candidates become fully eligible for EU Structural Funds presents a challenge to many local and regional authorities eager to participate in the current round of projects.⁸

While all these initiatives are noteworthy and important steps, more systematic and thorough exercises are necessary to build administrative capacity at the level that will be faced with the daunting task of day-to-day application and enforcement of EU legislation in areas such as the environment, public procurement, state aid, consumer protection, health and safety, social policy, anti-discrimination, competition and regional policy. So far, the EU does not deem capacity-building for local and regional government a priority task. The body responsible for sub-national input into the legislative process of the Union, the Committee of the Regions, has therefore called on the Commission to put more emphasis on training needs of local and regional authorities in the Candidate States and provide more opportunities and financial assistance for small-scale local and regional cooperation programmes between authorities in the applicant countries and the Member States through programs such as Phare and Interreg III.⁹ The president of the institution, Albert Bore, leader of Birmingham City Council, has demanded "an increase in the number and variety of exchange programs. New programs should be aimed at the grass-roots level involving the local and regional actors who will take key responsibility for administering and implementing key aspects of the *acquis communautaire* and will need practical guidance in their areas of expertise on how to adapt their work practices. Additional resources should be urgently found to ensure that these type of training and exchange programs can be undertaken quickly."¹⁰

However, as long as legally and constitutionally the EU remains to be an affair of national governments, the Committee of the Regions and its clientele (the cities and regions) will remain weak players. No matter how eager they are to rush to Brussels and open representative offices, collect information on funding opportunities, network among each other and understand and lobby the decision-making process, their recommendations and opinions will continue to be of marginal importance to the main players. Regardless of high-minded talk about new European governance and about involving stakeholders such as the regions, the truth is that a Union of soon 25 and more members will have to manage such a daunting degree of internal diversity and complexity that it is hard to imagine how cities and regions will be able to play a pronounced role in the functioning of the EU unless they have a strong position and political power base within their nation state.

EU membership has undoubtedly become a catalyst for a process in which CEE regions have increased their political salience. However, although the Commission has urged the Candidates to establish functioning management structures for Structural Funds, it has by and large abstained from giving the Candidates direct and public advice on how to structure the state territory. While this restraint is perfectly legitimate and politically necessary, the Commission should clarify its own role with respect to the regions in the Candidate States and develop a more transparent policy mix of demand-driven professional support for the administrative reforms and clear guidelines on the accession requirements for public administrations at the regional and local level. The transition institution-building facility proposed by the Commission in its updated enlargement strategy, which would aim at supporting continued training and capacity-building in the new Member States for the first three years after enlargement, should, therefore, also contain measures explicitly targeting the regional and local levels.

Thus, no matter how important EU membership is for the Candidate Countries, symbolically as well as in real political terms, the work has only just begun. The Candidates do not only have to achieve full participation in the Internal Market and work towards the ultimate step in European economic integration, namely membership in the euro area, they will also have to continue supporting and stimulating the reform and capacity-building efforts of political institutions, administrations and civil societies at national, regional and local government levels, in order to benefit fully from the EU. Only then will history at last catch up with geography.

Endnotes

1. The EU's political, economic and administrative criteria for membership, the so-called "Copenhagen criteria," are: stable democratic institutions, rule of law, respect for human and minority rights, the capacity to cope with competitive economic pressures in a functioning market economy and the legislative and administrative ability to take on the obligations of membership.
2. The Head of OLAF, Franz-Hermann Brüner, made this statement when presenting his activity report this autumn. Press Release OLAF/09/2002, October 2002
http://europa.eu.int/comm/anti_fraud/index_en.html
3. "Monitoring the EU Accession Process: Corruption and Anti-Corruption Policy," OSI, Budapest, 2002
4. Reed, Q., *Corruption and EU Enlargement: Who is Prepared?*, EUMAP—EU Accession Monitoring Programme, November 2002
<http://www.eumap.org/articles/content/91/913>)
5. see: <http://www.transparency.org>
6. Press Release, EUMAP-EU Accession Monitoring Programme: George Soros calls on the EU to support sustainable and responsible enlargement, November 2002
<http://www.eumap.org>)
7. For a recent overview see for instance: LOGON report 2002, Association of Austrian Cities and Towns,
<http://www.ceec-logon.net>
8. For more information on this initiative: http://europa.eu.int/comm/regional_policy/interreg3/index_en.htm
9. Opinion of the Committee of the Regions on the Communication from the Commission on the Action Plans for administrative and judicial capacity, and the monitoring or commitments made by the negotiating countries in the accession negotiations.
10. Committee of the Regions, "A better way forward: responding to enlargement," June 2002
<http://www.cor.eu.int/corz106.htm>



News from CEE

Corruption watchdog ratings for Central and Eastern Europe

Transparency International's Corruption Perceptions Index 2002, issued on 28 August and covering 102 countries, includes the following nine postcommunist countries from Central and Eastern Europe: Estonia (29th); Hungary (33rd); Belarus and Lithuania (tied at 36th); Poland (45th); Czech Republic, Latvia, and Slovakia (tied at 52nd); and Ukraine (85th).
RFE/RL NEWSLINE, 29 August 2002

Czech Finance Ministry releases preliminary data on flood damages

The Finance Ministry on 8 September released preliminary data on the August flood damage, CTK reported. The data showed that the large cities most affected were Prague, Plzen, Karlovy Vary and Usti nad Labem. As many as 753 out of 6,000 municipalities in the country were affected, with Metly, southern Bohemia, and Zalezice, central Bohemia, nearly being wiped off the map. The floods claimed 17 lives and total damage estimates are between 60 billion-90 billion crowns (some \$2 billion-\$3 billion). Approximately 225,000 people were evacuated.
RFE/RL NEWSLINE, 9 September 2002

Warsaw hosts OSCE conference

Some 500 politicians and human rights experts from 55 member states of the OSCE opened a conference called "Human Dimension Implementation" in Warsaw on 9 September, dpa reported. "While the fight against terrorism is imperative, it cannot be waged without observing fundamental human rights," OSCE Chairman and Portuguese Foreign Minister Antonio Martins da Cruz said in his opening address. The 10-day forum will also focus on the implementation of previous OSCE commitments in areas including sex and slave trafficking, torture, capital punishment, corruption, media freedoms, landmines, democratic elections and tolerance.
RFE/RL NEWSLINE, 10 September 2002

CEFTA ends Bratislava summit

Leaders from Central European Free Trade Agreement member states met in Bratislava on 14 September, issuing a declaration that calls for the continued removal of mutual trade barriers, TASR reported. The premiers of Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia said they want differing views reconciled on the basis of direct consultations among the parties involved but warned that trade imbalances are growing within CEFTA. They also pledged to support each other in accession talks with the EU and expressed the hope that negotiations over Croatia's inclusion in CEFTA will be concluded by the end of this year.
RFE/RL NEWSLINE, 16 September 2002

Hungarian controversy over 'segregationist' school creates tension

Parents protesting a decision by regional authorities to close down a private school in Jaszladany, central Hungary, on 13 September blocked a road leading to the town to protest the decision, Hungarian media and AP reported. It was the second protest last week against the school's closure. Authorities say the school, which charges a monthly fee of 3,000 forints (\$12), has not obtained all necessary permits. The intention to open the school was protested by the town's Romany community, which regards its launch as an attempt at segregation because most Romany parents cannot afford the fees.
RFE/RL NEWSLINE, 16 September 2002

Slovak Romany organization says Justice Ministry violating law

Hana Pucikova, a representative of the People Against Racism organization, on 18 September told TASR that the Justice Ministry is violating the law by publicizing the ethnic origins of convicted criminals. Pucikova said that on the ministry's website there is a special separate column on crimes committed by members of the Romany community, adding that this violates the Constitution and international agreements. A ministry official refused to comment but said the column has been taken off the web page.
RFE/RL NEWSLINE, 19 September 2002

Estonia joins EU electronic information-exchange program

In Tallinn on 20 September, Economy, Transport and Communications Minister Liina Tonisson and European Commissioner for Enterprise and Information Society Erkki Liikanen signed a memorandum on Estonia joining the European Union's electronic information-exchange program, eContent, ETA reported. The program has three main areas of activity: improving access to and expanding the use of public-sector information, enhancing content production in a multilingual and multicultural environment, and increasing the dynamism of the digital-content market. In talks with Prime Minister Siim Kallas, Liikanen offered his help in solving problems that may arise in the work of the European Future Convention. He also delivered a report at the telecommunications and information-technologies forum "From Vision to Solutions 2002" in Parnu.
RFE/RL NEWSLINE, 23 September 2002

Hungarian Premier promises more money for local authorities

Addressing a gathering of mayors on 30 September, Medgyessy said local revenues are expected to increase, and the state will fully finance those obligations that have been transferred to local authorities, *Magyar Hirlap* reported. Medgyessy promised to support "depoliticized and decentralized local authorities" and envisaged changes to what he called "the untenable situation" in which local budgets are not sufficiently financed by the central government. He also promised to place great emphasis on reducing regional differences.
RFE/RL NEWSLINE, 1 October 2002

Estonia's local elections bolster center-reform coalition

The State Election Committee announced that 52.4 percent of eligible voters participated in local elections throughout the country on 20 October,

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ETA reported the following day. Turnout was thus higher than for communal elections in 1999 (49.8 percent) or 1996 (52.1 percent). In the capital, Tallinn, the Center Party garnered 38.5 percent of the vote and 32 of the 63 seats on the City Council and is thus likely to continue its center-right coalition with the Reform Party, which took 11 seats. The centrist Res Publica party, formed in late 2001 and which advocates more conciliatory policies toward non-Estonians, won 17 seats, while the Estonian United People's Party took three seats on the Tallinn City Council. The right-wing Pro Patria Union gained 6.8 percent of the vote but will not be granted seats under the system for distributing local mandates, while the Moderates and People's Union each fell short of the 5 percent threshold for representation with 4.9 percent and 3.3 percent, respectively. In Tartu, which is Estonia's second largest city, the Reform Party gained 23 seats; Pro Patria, nine; Res Publica, eight; Center Party, six; and the Moderates, three. Across the country, Res Publica performed better than many predicted, winning 385 seats in 100 of the 117 councils for which the party competed. Representatives of Pro Patria declared that there were few winners but many losers in a contest between similarly thinking parties, according to ETA. Pro Patria Chairman Mart Laar called on right-leaning parties like the Reform Party, Res Publica, Pro Patria, and the Moderates to work together to deny the left-leaning Center Party from gaining greater power.

RFE/RL NEWSLINE, 21 October 2002

Hungary's governing parties dominate elections

Candidates for the coalition Socialist Party (MSZP) and Free Democrats (SZDSZ) garnered 45 percent of all votes in local elections on 20 October, Hungarian media reported, citing preliminary results. Sixteen of Hungary's 22 major cities will be led by MSZP-SZDSZ mayors as a result. The opposition FIDESZ and Democratic Forum meanwhile received a more modest 33 percent of votes to county assemblies. Candidates for the governing coalition also won mayoral posts in right-wing strongholds such as Miskolc, Szeged and Szombathely, unseating conservative incumbent mayors there. According to preliminary reports, voter turnout was 46 percent, the highest for local elections in the country's postcommunist history. Lajos Ficzere, chairman of the National Election Commission, said late on 20 October that no incidents occurred that might threaten to invalidate the balloting.

RFE/RL NEWSLINE, 21 October 2002

Poland satisfied with Irish referendum on EU

In the 19 October Irish referendum on the Treaty of Nice, in which 63 percent of voters said "yes" to the treaty and in effect to EU enlargement in 2004. "This is the evidence of the European Union's deep internal democracy," PAP quoted Kwasniewski as saying. "The Irish example shows that each country, even a less populous one, has its own say and that this say can be loud and clear. This should pacify many of my compatriots who are afraid that Poland's entry into the EU could mean that the 40 million [strong] country will not be heard in it," Kwasniewski added. RFE/RL NEWSLINE, 21 October 2002

Commission formally proposes 10 new members

On 9 October the European Commission announced that 10 Candidate Countries will be ready to join the European Union in 2004. Now referred to as the "Laeken ten" or the "acceding countries," the 10 are: Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia. The Commission's decision was based on its Regular Reports for 2002. The British President of the Committee of the Regions, Albert Bore, said: "We wholeheartedly welcome the Commission's report on EU enlargement and its conclusion that ten countries are ready to join." His sentiments were echoed by the UK's Foreign Secretary, Jack Straw, who also said the UK "remains strongly committed to Turkish membership of the EU as soon as possible." Laszlo Csaba from the Central European University in Budapest, quoted in *The Guardian*, said "This is a big day for this region ... We've been waiting for this since the collapse of communism," while Laszlo Kovacs, Hungary's Foreign Minister said "The final marathon is just beginning." In the view of *The Guardian* "If all goes to plan [enlargement] will help entrench democracy, promote a shared prosperity, and set legal and societal standards to which all must rise. It may even contribute to Europe's overdue emergence as a counterweight to the US in such matters as international security, environmental policy and fair trade." *The Telegraph* took a more cynical line, commenting that whilst the Commission's Regular Reports "castigated" Hungary, the Czech Republic and Slovakia "for persistent fraud and told [them] to clean up their judicial systems ... Transparency International, the fraud watchdog, gives a better score to some candidate

states, notably Estonia and Slovenia, than EU founding member Italy."

British Council EU News Digest, November 2002

The full press release is available at:
<http://europa.eu.int/comm/enlargement/docs/news.htm>

Please see also "EU Enlargement Report 2002: Roadblocks Removed But Doubts Persist" by Claus Shultze, appearing on pp.44 of this publication

Poland holds local runoffs...

Poles on 10 November voted in the second round of local elections to choose some 1,200 communal heads (wojt) and town and city mayors, Polish media reported. Approximately the same number of local administrators were elected in first-round voting on 27 October. According to preliminary second-round results, Lech Kaczynski (Law and Justice) was elected mayor of Warsaw (70 percent), Jerzy Kropiwnicki won the mayor's seat in Lodz (53 percent) and Marian Jurczyk will become mayor of Szczecin (53 percent). While the victory of Kaczynski over Democratic Left Alliance candidate Marek Balicki in Warsaw was widely expected, the triumph of the right-wing Kropiwnicki in Lodz, a traditional left-wing stronghold, came as a big surprise. On 7 November, the State Election Commission, plagued for nearly two weeks by a failure of the computer system handling the vote count, announced official results of the 27 October first round of voting to communal, district and provincial councils. The ruling Democratic Left Alliance-Labor Union (SLD-UP) bloc won the polls at all three levels, obtaining 4,816 seats on communal councils, 1,639 seats on district councils and 189 seats on provincial councils. Turnout in the first round was 44.23 percent. The Polish Peasant Party (PSL) won the greatest number of communal leadership (wojt) posts while the Democratic Left Alliance-Labor Union (SLD-UP) coalition won the greatest number of town and city mayorships, Polish radio reported on 11 November. But that pattern does not extend to big cities, the broadcaster stressed. Rafal Dutkiewicz (63 percent), a joint candidate of the Civic Platform and Law and Justice (PiS), won in Wroclaw. Pawel Adamowicz (72 percent) is to become mayor of Gdansk, and Ryszard Grobelny (65 percent) will lead Poznan—both are Civic Platform candidates. Polish President Aleksander Kwasniewski on 12 November said he is "pleased" with the election results. "Rightist parties will undoubtedly assume some responsibility for cities and the state now," PAP quoted Kwas-



niewski as saying. "Each of the major parties, for democracy's sake, should bear the part of this responsibility."

RFE/RL NEWSLINE, 13 November 2002

Estonia's two largest cities sign high-tech action plan

City-council representatives from Tallinn and from Estonia's second city, Tartu, signed an information-technology (IT) action plan in Paide on 18 November, BNS reported. The cities signed an IT cooperation agreement in early October, and the plan supplements it with clear targets and concrete dates. The first priority is the introduction of services provided to citizens via the Internet. The agreement also provides for cooperation in the spheres of so-called e-services and e-elections along with increasing the availability of the Internet and the security of technology in schools and municipal institutions.

RFE/RL NEWSLINE, 13 November 2002

NATO announces biggest expansion in its history at Prague summit...

NATO's 19 member states agreed to a historic eastward expansion on 21 November, extending official invitations to seven postcommunist states as the first order of business at a two-day Prague summit, local and international news agencies reported. "It is a truly defining moment for the Atlantic alliance," NATO Secretary-General Lord Robertson said, according to AP. The trans-Atlantic alliance's first summit to take place behind the former Iron Curtain opened amid heavy security in the Czech capital and expectations that thousands of anti-NATO protesters would turn up later in the day. The 53-year-old military alliance "invited to accession talks" Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia to set up NATO's second expansion into postcommunist Europe. They are expected to join in May 2004, following ratification by member states' and candidate countries' legislatures. "Anyone who would choose you for an enemy also chooses us for an enemy," U.S. President Bush said of new members on the eve of the conference. "Never again in the face of aggression will you stand alone." Hopefuls Macedonia, Albania and Croatia were left to wait, though the summit's participants have stressed an "open-door policy" on future expansion.

RFE/RL NEWSLINE, 21 November 2002

News from SEE

Macedonian State Election Commission closes voter registration, opens internet site

The State Elections Commission [DIK] is to close voter registration on 21 August, *Utrinski vesnik* reported. Commission Chairwoman Mirjana Lazarova-Trajkovska said, "We expect the complete voters lists from the Justice Ministry [on 21 August] and must confirm them within five days. All [the candidates] are interested in the voters lists being as clean as possible, and this is one of the preconditions for fair elections." She added that "it is the duty of the [Justice Ministry] to inform us about any amendments to the voters lists, and the DIK has to check whether the changes are being carried out." Meanwhile, the government has confirmed that the names of 3,500 Macedonians from Albania have been dropped from the lists. The DIK also opened an Internet site (<http://www.izbori.gov.mk>) in Macedonian and English that features all relevant decisions made by the commission as well as electoral legislation.

RFE/RL NEWSLINE, 21 August 2002

Bulgarian government approves aid for Central European countries

At its regular session on 22 August, the government approved an aid plan for the Central European countries affected by ongoing floods in the region, BTA reported. The government decided to send experts for the restoration of cultural and historical monuments. It also plans to allow children from the disaster areas to spend their holidays at Bulgarian tourist facilities run by government institutions. On the Foreign Ministry's initiative, a bank account for a relief fund was opened. In related news, authorities in the Danube port of Vidin in northwest Bulgaria are reinforcing the dikes protecting the city, with Hungarian support.

RFE/RL NEWSLINE, 23 August 2002

Corruption watchdog ratings for Southeast European countries

Transparency International issued its Corruption Perceptions Index 2002 for 102 countries on 28 August. The following are countries' rankings in Southeastern Europe, from best to worst: Slovenia (27th); Bulgaria (45th); Croatia (51st); Romania (77th); Albania (81st); and Moldova (93rd).

RFE/RL NEWSLINE, 29 August 2002

For the full press release, please visit:

http://www.transparency.org/press-releases_archive/2002/2002.08.28.cpi.en.html

Big dogs pay for corruption

by Altin Raxhimi

In a continuation of what Albanian officials are calling the country's anti-corruption drive, police arrested three senior administration officials on 4 October on suspicion of involvement in two separate public procurement scandals.

Deputy Interior Minister Bujar Himci and Public Order Police Chief Veli Myftari were arrested for their alleged involvement in a public procurement scandal to illegally grant a German printer a contract for printing new Albanian passports in the summer of 2001.

According to the Tirana Prosecutor's Office, the two were aided by Arben Prifti, director of Tirana's Public Procurement Agency. Prosecutors say the deal cost the taxpayers over \$2 million. All three will remain in custody until the trial is over.

Germany's Bundesdruckerei printing company was announced the winner of the international tender in August 2001 even though its bid for the project was higher than that of the British printer De La Roi. Bundesdruckerei promised to produce two million passports for 2.8 million USD, according to Interior Minister Luan Rama. "The passport tender was the biggest theft I have ever seen," Rama told the press in August last year. At the time, De La Roi and the U.S.-based Euroget protested what they called irregularities in the tender procurement.

Despite the protests, Bundesdruckerei was awarded the tender, but then proceeded to delay the production of the promised passports for six months past the contract date. However, despite the charges against high-ranking Albanian officials in the tender scandal, the government cannot annul the contract with Bundesdruckerei.

Prosecutor Sokol Stojani said the three are being charged with abuse of office, falsification of documents and undermining the equality of companies in a public tender.

A day earlier, on 3 October, a Tirana court ruled to detain in custody 62-year-old Bank of Albania Deputy Governor Dhame Pite—who is charged with embezzling close to \$600,000 in a deal with a French company bidding to win a banknote printing tender—until the trial is over. “This shows that the government is committed to combating crime,” Prime Minister Fatos Nano said in a public statement on 3 October. Pite was arrested last week.

Until the recent arrest of Himci and Myftari, Pite was the highest-ranking Albanian official to be arrested on corruption charges.

The Balkan Reconstruction Report, 11 October 2002

Croatian resolves school segregation issue

Officials of the Education Ministry, Medjimurje County, and a local Croatian parents' group agreed in Cakovec on 10 September that the parents will end their blockade of the local elementary school in Drzimurac, RFE/RL's South Slavic and Albanian Languages Service reported (see “RFE/RL Newslines,” 10 September 2002). Croatian and Romany pupils will attend joint classes in cases in which the Romany children are able to follow the standard instruction program in Croatian. Those who cannot will attend special classes.

RFE/RL NEWSLINE, 11 September 2002

Romanian President criticizes central, local administration

President Iliescu on 10 September criticized central and local government administrations in his country, saying that civil servants are unresponsive to citizens' complaints, Mediafax reported. He said that the large number of people who write to him in the hope of enlisting his help in solving the problems they face attests to the deficiency of public administration. He also criticized what he called the “greediness of lawyers,” who he said, “get rich from the problems people face.” “The poor have no chance to be defended [in court],” he added. The presidential office announced that as of 10 September, complaints can be addressed directly to the chief of state via the Internet at <http://www.presidency.ro>.

RFE/RL NEWSLINE, 11 September 2002

New program to improve funding for small communities in Bulgaria

Labor and Social Affairs Minister Lidia Shuleva has announced a new program that is intended to improve funding for small communities with high unemployment rates, BTA reported on 16 September. The project is to encourage the interaction of private companies, NGOs and state institutions at the local level. The project is funded by the Japanese Fund for Social Development, USAID and the Bulgarian government. Municipalities in six northeastern Bulgarian districts—Silistra, Dobrich, Shumen, Razgrad, Varna and Targovishte—will be eligible to participate in the program.

RFE/RL NEWSLINE, 18 September 2002

Elections ‘huge victory’ for Macedonia

by Ana Petrusseva

The defeat of right wing nationalists in Macedonia's general election has been hailed in the West as an important boost to stability in a republic long troubled by ethnic strife. “There will be more hard work ahead and many more challenges, but these elections are a decisive step in the right direction and a clear rejection of the violence which tarnished the last months,” said NATO secretary general George Robertson. Voters kicked out the hard line government of Prime Minister Ljupco Georgievski, whose nationalist policies led to confrontations with the country's Albanian minority, opting instead for the moderate Social Democrats, the SDSM, led by Branko Crvenkovski. Former guerrilla leader Ali Ahmeti's Democratic Union for Integration, DUI, won strong support from Albanian voters.

Preliminary results from the state electoral commission showed the winning coalition, led by SDSM, had gained 40.4 percent of the vote, with Georgievski's party and its allies accruing just over half that figure. More than 70 percent of the 1.6 million electorate participated in the ballot. Georgievski conceded defeat just minutes before midnight on Sunday, congratulating the winner and praising the elections as peaceful and fair. Speaking at a news conference, an unexpectedly gracious Georgievski said, “These were the most just and democratic elections in this country's parliamentary past, which can only improve Macedonia's image in the Balkans and in the international community.”

There was celebratory gunfire as flag-waving supporters celebrated Crvenkovski's victory on

the streets of the capital. On Monday, tens of thousands attended a post-election rally where the SDSM leader told a cheering crowd, “We showed and we proved that we are a mature nation which knows what needs to be done. This is a huge victory for Macedonia.” Macedonian president Boris Trajkovski commended political parties for showing a high level of political maturity and said, “The elections were, in the true meaning of the word, European elections.”

The new government faces a number of serious challenges, namely an impoverished economy and simmering ethnic tensions. Unlike previous contests since Macedonia's independence in 1991, this ballot was surprisingly free of fraud, with only few minor incidents reported. The Organisation of Security and Cooperation in Europe, OSCE, had deployed 850 observers to monitor the vote. “Macedonian society passed the test,” said its head Kimmo Kiljunen.

One major twist in the elections was strong support for the ex-guerrilla leader Ali Ahmeti, whose DUI party gained 11.8 percent of the vote. Ahmeti, who led the Albanian insurgents during last year's violence, is seen as a hero among his people, while most ethnic Macedonians still regard him as a terrorist who provoked the conflict in order to grab territory. After the violence ended 13 months ago, Ahmeti became a leading moderate in Albanian politics. Western diplomats described him as “trustworthy and reliable” because of his efforts to prevent further conflict and fully implement the western-sponsored Ohrid peace accord of August 2001. Ethnic Albanian voters decided to ditch Ahmeti's rival party, the discredited Democratic Party of Albanians, DPA, led by Arben Xhaferi.

Preliminary results showed only 5.2 percent support for the party, which had shared power with Georgievski and was tainted by allegations of corruption that dogged the ruling coalition. Party sources said SDSM's coalition with the Liberal-Democrats has won 60 seats out of 120 in the new parliament. The coalition of VMRO-DPMNE and the Liberal Party took 33 seats, Ahmeti's DUI 16, the DPA seven, with two other Albanian parties, the National Democratic Party, NDP, and the Party for Democratic Prosperity, PDP, gaining one and two seats respectively.

“If we want peace and stability in Macedonia, the next government should be built between the parties which won the majority of votes in the Albanian and Macedonian communities,” Ahmeti told Reuters. So far, the triumphant SDSM has said that there is no room for Ahmeti in its government but has not ruled out the possibility DUI members being given ministerial positions. The constitution requires parliament to be formed not later than 20 days after the elections



and the government to be chosen 10 days after that. Ahmeti, whose name is on American president George Bush's blacklist of extremists, has repeatedly said he would not enter parliament or become a government minister.

IWPR'S *Balkan Crisis Report*, 18 September 2002

For a detailed report on recent election activity in the Balkans, please visit the Europa South-East Monitor #39 (October 2002) on the web:

<http://www.ceps.be/Pubs/SEEMonitor/Monitor39.rtf>

Results of Bosnian elections pour in

About 54 percent of the 2.3 million registered voters cast their ballots in the Bosnian general elections on 5 October, RFE/RL's South Slavic and Albanian Languages Service reported (see "RFE/RL Newsline," 4 October 2002). It was the first ballot since the end of the 1992-95 conflict to be conducted by Bosnians rather than by the OSCE. Few incidents were reported, and international observers generally described the vote as free and fair. Paddy Ashdown, who is the international community's high representative in Bosnia, compared the development of democracy in Bosnia favorably with that in Northern Ireland. Initial results, however, indicate that the big winners are not the moderate parties favored by the foreigners but the three nationalist parties that led their respective communities before and during the war: the Muslim Party of Democratic Action (SDA), the Serbian Democratic Party (SDS), and the Croatian Democratic Community (HDZ). Some observers suggested that voter apathy led to a low overall turnout but that the nationalists were able to mobilize their hard-core supporters. Ashdown said the results show a disenchantment with the outgoing authorities, not a return to the militant nationalism of 1990. Mirko Sarovic (SDS) appears to have won the Serbian seat in the joint Bosnian Presidency, while Dragan Covic (HDZ) has the Croatian seat with 70 percent of the Croatian vote. Dragan Cavic (SDS) appears headed for victory as the new president of Republika Srpska, according to local and international media on 7 October. The SDA's Sulejman Tihic has a slight lead over Haris Silajdzic of the Party for Bosnia and Herzegovina (SBIH) for the Muslim seat in the Presidency. It was not clear whether the final returns might give a possible coalition of the SBIH and the governing Social Democrats (SDP) a work-

ing majority among Muslim legislators, but the SDA was the single largest Muslim vote-getter. During the campaign, many nationalists faulted the current authorities for failing to solve the deep-rooted problems of poverty and unemployment. But some nationalists will have to moderate their traditional positions on many issues—including refugee returns—if Bosnia is to attract the foreign investment necessary to bring some measure of prosperity.

RFE/RL NEWSLINE, 7 October 2002

International representative reminds all where the power lies

Ashdown issued a series of decisions on 7 October, making it clear that the international community intends to see Bosnia become a multi-ethnic society based on the rule of law, RFE/RL's South Slavic and Albanian Languages Service reported. One decree ensures that the three constituent peoples—Muslims, Croats and Serbs—will be represented proportionally in cantonal governments in the federation. This measure ends the practice of some cantonal governments being the preserve of one group. A second decree prevents minor officials from escaping justice on the grounds that they enjoy immunity, which from now on will be reserved only for top officials. Ashdown also appointed three directors of the Agency for Information and Protection to a six-year term. Serb Sredoje Novic will be the first to hold the rotating chair for two years, followed by Muslim Emir Bijedic and Croat Dragan Lukac.

RFE/RL NEWSLINE, 7 October 2002

Bulgaria hosts Stability Pact economic forum

Speaking at the Stability Pact for Southeast Europe's economic forum in Sofia on 15 October, Deputy Stability Pact Coordinator John Riddle said that cross-border cooperation on infrastructure projects and the creation of a free market would lead to prosperity and long-term stability in the region, BTA reported. Riddle pledged that the Stability Pact will continue to support projects for border-area integration, strengthening institutions, democratization, and transport and energy projects. In his address, Economy Minister Nikolay Vasilev underscored that the 5 percent average economic growth in Southeast Europe is greater than the European average. According to Vasilev, stable prices, low budget deficits, low

inflation and low direct taxes are the basis for the region's future development. He admitted, however, that all countries in the region face high unemployment and low foreign investment.

RFE/RL NEWSLINE, 7 October 2002

Elections fail to attract minimum turnout in Belgrade

The 13 October runoff in the Serbian presidential elections failed to attract the legal minimum turnout of 50 percent plus one vote, so the result will be declared void. Officials say that only 45.5 percent of all eligible voters came to the polling stations.

With 86 percent of the votes counted as of the evening of 14 October, Yugoslav President Vojislav Kostunica beat Yugoslav Deputy Prime Minister Miroljub Labus by 66.4 percent to 31.29 percent.

The elections were carried out in near perfect order. The data from the polling stations compiled and processed by a leading independent monitoring group, the Center for Democracy and Free Elections (CeSID), corresponded almost down to the exact percentage point with the data coming from the governmental Serbian Bureau of Statistics, prompting one CeSID spokesman, Marko Blagojevic, to lament that these procedurally perfect elections would not count.

According to the current legislation, the term of Milan Milutinovic, the current Serbian president, expires on 27 December. New elections must be organized at least a month before that date. Milutinovic is one of the five top Belgrade officials who were indicted in May 1999 by the International Criminal Court for the former Yugoslavia (ICTY) in The Hague.

Labus told journalists he would not repudiate his election program, as he said it is the best one for Serbia, but was evasive as to whether he would continue with his candidacy. Mladjan Dinkic, National Bank of Yugoslavia governor and a Labus supporter, told the media that he would not advise Labus to run again soon.

The Balkan Reconstruction Report, 18 October 2002

Djukanovic pledges 'four years of stability' after winning Montenegrin vote ...

More than 77 percent of the 455,000 registered voters turned out in Montenegro on 20 October to cast their ballots for members of the 75-seat parliament, as well as for local governments



in Podgorica and Tivat, international and local media reported. In the parliamentary election, President Milo Djukanovic's Democratic Coalition For a European Montenegro—Milo Djukanovic won 39 seats for an outright majority. Djukanovic told AP that his coalition will invite an unspecified number of ethnic Albanian deputies to join the new cabinet "so our government will reflect the multiethnic and multicultural diversity of Montenegro." An alliance of ethnic Albanian parties took two seats. The pro-Belgrade Coalition for Change led by Predrag Bulatovic won 30 seats. The big losers were the Liberal Alliance (LS), who have four seats. The BBC's Serbian Service commented that the pro-independence voters who make up the core of that party's supporters "punished" it for cooperating with pro-Belgrade parties in recent months. Djukanovic clearly benefited from Liberal Alliance defections.

RFE/RL NEWSLINE, 21 October 2002

Final tally confirms nationalist win in Bosnia

On 19 October, the Bosnian election commission announced the final tallies from the 5 October general elections, international and local media reported (see "RFE/RL Newsline," 17 October 2002). The clear winners were the three largest nationalist parties: the Muslim Party of Democratic Action (SDA), the Serbian Democratic Party (SDS), and the Croatian Democratic Community (HDZ). The new joint Presidency will consist of Sulejman Tihic (SDA), Mirko Sarovic (SDS), and Dragan Covic (HDZ). In the joint 42-seat parliament, the SDA won 10 seats, while the SDS and HDZ each took five seats. Eleven parties shared the remaining seats, including six for the Party for Bosnia and Herzegovina (SBIH), four for the Social Democrats (SDP) and three for the Independent Social Democrats (SNS). In the 98-seat federal parliament, the SDA won 32 seats, followed by the HDZ with 16 seats and the SBIH and SDP with 15 each. Fourteen other parties share the remaining seats. The three largest parties have filed complaints against allocating seats to small parties that barely surpassed the 3 percent threshold for representation.

RFE/RL NEWSLINE, 21 October 2002

Kosovar President's party wins in local vote

The Democratic League of Kosova of President Ibrahim Rugova won in 30 municipalities in the

recent local elections, RFE/RL's South Slavic and Albanian Languages Service reported on 3 November (see "RFE/RL Newsline," 29 October 2002). Supporters of former guerrilla leader Hashim Thaci and his Democratic Party of Kosova (PDK) finished second. A coalition of five Serbian parties won in five municipalities. In related news, Michael Steiner, who heads the UN's civilian administration in Kosova (UNMIK), discussed the future of local government in northern Mitrovica with Kostunica on 2 November. Local Serbs there boycotted the vote. And in a village near Vushtri, 20 Serbs attacked an international police patrol, seriously injuring one police officer and injuring several more.

RFE/RL NEWSLINE, 4 November 2002

Ethnic Albanian parties win big in Kosova local vote

The Democratic League of Kosova (LDK) of President Ibrahim Rugova won in 19 of 30 municipalities in the recent local elections, the Kosovar news agency Qik reported on 4 November (see "RFE/RL Newsline," 29 October 2002). The LDK took 11 municipalities outright and has the largest number of votes in eight more. Supporters of former guerrilla leader Hashim Thaci's Democratic Party of Kosova (PDK) finished second, winning four municipalities. A coalition of five Serbian parties took five municipalities.

RFE/RL NEWSLINE, 5 November 2002

Serbian Parliament changes election law

Legislators from the governing Democratic Opposition of Serbia (DOS) coalition and Kostunica's Democratic Party of Serbia (DSS) passed legislation on 5 November on the rules governing elections for the Serbian presidency, RFE/RL's South Slavic and Albanian Languages Service reported. A turnout of 50 percent of all registered voters will still be required for the first round of a presidential ballot to be valid, but a second round will be decided by a simple majority of those casting their ballots. Parliament speaker Natasa Micić announced a new presidential election for 8 December. Kostunica is widely expected to run, but so far only Radical Party leader Vojislav Seselj has announced his candidacy. Reuters reported that the DSS and DOS have also agreed to cooperate in negotiations with Montenegro over the Constitutional Charter.

RFE/RL NEWSLINE, 6 November 2002

Romanian ruling party on top after local elections

Local elections that took place on 10 November in 21 electoral districts produced nine PSD mayors and two mayors belonging to the Hungarian Democratic Federation of Romania (UDMR), RFE/RL's Bucharest bureau reported. In all other districts a runoff is to be held between the two frontrunners on 17 November. The PSD also scored the best result in the elections for local councilors, garnering 41.6 percent of the combined vote. It was followed by the Democratic Party (14.4 percent), the National Liberal Party (10.9 percent) and the UDMR (9.7 percent). Independent candidates took 7.3 percent of the vote and voter turnout was 49.7 percent.

RFE/RL NEWSLINE, 12 November 2002

European Commission proposes roadmap for Bulgaria, Romania

The European Commission proposed roadmaps for Bulgaria's and Romania's EU-accession processes, an official EU press release stated on 13 November. The roadmaps, which are to be submitted to the 12-13 December European Council in Copenhagen, indicate in detail the main steps the two countries need to take to be ready for membership. They particularly emphasize the economic, administrative and judicial reforms that are needed to successfully close the chapters outlined in the *acquis communautaire*. According to the proposal, both countries will receive increased financial assistance—an additional 20 percent in 2004, 30 percent in 2005, and 40 percent in 2006 compared to the average assistance they received from 2001-03. The proposal also envisions that the countries will be given more opportunities to participate in all relevant EU agencies and committees. At the same time, the EU will closely monitor the candidates' progress in implementing the accession requirements.

RFE/RL NEWSLINE, 14 November 2002

NATO set to extend its mission in Macedonia

An unnamed senior NATO official told Reuters in Brussels on 14 November that the Atlantic alliance will most likely extend its Amber Fox mission in Macedonia for a further six months once the current mandate expires on 15 December because the EU is not ready to replace it. The



EU's project has been held up for months by bickering between Greece and Turkey over what is known as Berlin Plus, which is a plan to guarantee the EU access to NATO planning, intelligence and logistics. France is reportedly ready to go ahead with the EU project even without Berlin Plus. But an unnamed senior NATO official told London's *Financial Times* of 15 November that "the U.S., Britain and some others did not want France to create a precedent of going in without NATO."

RFE/RL NEWSLINE, 15 November 2002

Montenegrin leader pledges economic reforms

Milo Djukanovic resigned as president of Montenegro on 25 November, paving the way for the parliament to confirm him as prime minister, RFE/RL's South Slavic and Albanian Languages Service reported from Podgorica. He told reporters he intends to concentrate on the economy and economic reforms in his new post. Djukanovic added that the current Yugoslav federation is "unacceptable" to Montenegro. He said the Serbian and Montenegrin parliaments should adopt a Constitutional Charter for a new loose union as soon as possible.

RFE/RL NEWSLINE 26 November 2002

News from NIS

Nearly one-third of Russian schools to be online by 2003

By the middle of 2003, 31 percent of Russian schools will be connected to the Internet, **strana.ru** and other Russian news agencies reported on 27 August. Education Minister Vladimir Filippov made the announcement at a Moscow Internet conference. According to Filippov, 10.3 percent of schools are already connected. He also said that a number of regions have adopted measures to encourage teachers to incorporate new technologies into their programs. In Krasnodar Krai, Filippov said, teachers who do so can earn bonus worth up to 50 percent of their base salaries. "The Internetization of primary education in Russia is extremely important," Filippov said.

RFE/RL NEWSLINE, 27 August 2002

Corruption watchdog rating for Transcaucasus and Central Asian countries

The annual ranking of countries according to levels of corruption issued by Berlin-based Transparency International showed a slight improvement for Russia, *The Moscow Times* and other Russian news agencies reported on 29 August. Russia ranked 79th of 102 countries, up from 82nd last year. Russia was tied with Tanzania, India, Zimbabwe, Cote d'Ivoire and Honduras. Russia was rated less corrupt than most CIS countries, with the notable exceptions of Ukraine and Belarus. Perceptions Index 2002 for 102 countries on 28 August. The following are rankings within Transcaucasus and Central Asia, from best to worst: Uzbekistan (68th); Georgia (85th); Kazakhstan (88th); and Azerbaijan (95th). Armenia was not indexed due to a lack of sufficient data, according to the authors.

RFE/RL NEWSLINE, 29 August 2002

The full press release is available at:
http://www.transparency.org/press-releases_archive/2002/2002.08.28.cpi.en.html

Foreign Ministry reaches out to the online masses

Speaking to students of the Moscow State Institute of International Relations (MGIMO), Foreign Minister Ivanov announced that his ministry has launched an Internet page devoted to Russian foreign policy in cooperation with the Interfax news agency, lenta.ru reported on 2 September. Ivanov said that any citizen can receive an answer to his or her questions about Russian foreign policy through the interactive website (http://www.interfax.ru/press_mid_newv.html).

RFE/RL NEWSLINE, 3 September 2002

Politicians discuss models for Russian/Belarusian integration

State Duma Speaker Gennadii Seleznev said on 5 September that he fully backs President Putin's proposals to Belarusian President Alyaksandr Lukashenka regarding three possible models of integrating the two countries (see "RFE/RL Newsline," 15 August 2002), RIA-Novosti reported on 5 September. Seleznev said

that both he and Putin consider unification based on the model of the European Union as the most promising option. Pavel Borodin, secretary of the Russia-Belarus Union, said on 5 September that the president's suggestion that a bilateral working group be created to accelerate unification is a "brilliant idea," **polit.ru** reported. Union of Rightist Forces (SPS) leader Boris Nemtsov told *Nezavisimaya gazeta* on 5 September that SPS also supports the idea of union with Belarus "according to the example of the European Union." "But real integration will mean political death for Lukashenka," Nemtsov added.

RFE/RL NEWSLINE, 6 September 2002

Armenian communists shelve demands for accession to Russia-Belarus union

The Armenian Communist Party (HKK) has suspended the campaign it embarked on in 1997 for Armenia's accession to the Russia-Belarus Union in light of the recent disagreements between Russia and Belarus over how that union should evolve, HKK First Secretary Vladimir Darpinian told RFE/RL's Armenian Service on 5 September. But Darpinian added that virtually all Armenian left-wing parties, including Hanrapetutian and the People's Party of Armenia, are still in favor of Armenia joining the Russia-Belarus Union at some future date. He said the HKK will continue to campaign for its other primary objectives—the creation of a parliamentary republic and the nationalization of "strategic" industries.

RFE/RL NEWSLINE, 6 September 2002

Central Election Commission Chairman backs simultaneous regional and federal elections

Holding gubernatorial elections on the same day as nationwide parliamentary or presidential elections would save money, increase turnout and avoid the "endless chain of elections that is starting to get irritating," according to Central Election Commission (TsIK) Chairman Aleksandr Veshnyakov, *Vremya MN* reported on 11 September. Veshnyakov emphasized that the TsIK will not require regional authorities to set elections concurrently with parliamentary or presidential balloting and is merely reminding regional authorities that the option exists under Russia's law on basic guarantees of the electoral rights of citizens.

Vremya MN speculated that the Kremlin is the true source of Veshnyakov's initiative. The presidential administration's ability to influence regional races would presumably grow if the Kremlin could push its favored gubernatorial candidates while using federal leverage on behalf of Unified Russia during the Duma campaign or of Putin during the presidential race.

RFE/RL NEWSLINE, 12 September 2002

Russia expands its own 'war on terror,' further threatening Georgian statehood

by Richard Giragosian

The already tense relations between Russia and Georgia reached an unprecedented level of distrust and confrontation in recent days with a new Russian threat to launch unilateral, preemptive strikes against Chechen militants in Georgia's Pankisi Gorge. Instructing his Defense Ministry to draft a new plan for strikes against "terrorist" bases in the Pankisi Gorge, Russian President Vladimir Putin raised the stakes in the last two weeks of mounting confrontation with the Georgian government. Russia argued that Georgia's inability, or unwillingness, to secure the Georgian border with Chechnya necessitates a Russian "preemptive" move to address the threat posed by the Chechen fighters entrenched in the eleven-mile gorge.

Issued on 11 September, the Russian threat of preemptive action compounds the already existing threats to Georgia's seriously weakened statehood. The Russian president also attempted to establish a linkage with the U.S. war on terrorism, noting that the terrorist presence in Georgia poses a direct threat to Russia, and even charging that the perpetrators of the September 1999 apartment-building bombings in Moscow and Volgograd are enjoying refuge in Georgia. Expanding such linkage has not been very difficult in the wake of the repeated U.S. warnings of the dangers posed by "Al-Qaeda" terrorists in the area.

The Russian threat follows several weeks of escalation between Moscow and Tbilisi over the presence of Chechen militants in the gorge and which included a bombing attack of Georgian territory on 23 August by aircraft widely believed to be Russian. Under pressure to address the Pankisi threat, the Georgian government hastily deployed 1,000 Interior and Security ministry forces to the gorge, setting up a series of 10 checkpoints and launching a limited security sweep of the area. For much of

the past decade, Georgian sovereignty and territorial integrity have been seriously undermined by the conflicts in Abkhazia and South Ossetia and their aftermath, which increased the country's vulnerability to Russian coercion. Russian pressure on Georgian President Eduard Shevardnadze and his government utilizes a combination of "hard" and "soft" power, capitalizing on the serious weakness of the Georgian state and its inability to control much of its own territory.

Although the Russian use of hard power, manifested by its continued military presence in both Abkhazia and Georgia proper, is the more visible, its exercise of "soft" power has been far more effective. Such soft-power tactics have ranged from Moscow's generous grant of Russian passports to a substantial number of Abkhaz to the Russian Itera group's recent acquisition of a controlling stake in Georgia's natural-gas distribution network.

The timing of the most recent Russian threat to intervene in the Pankisi Gorge stems from several factors. First, there is an important practical consideration related to the relatively small window of opportunity for a military engagement, as the approaching winter will soon make the gorge virtually impassible. A second factor is linked to the recent Russian claim that an agreement was reached with Georgia for a joint military operation in the Pankisi. Although quickly denied by Georgian officials, there are suggestions that the agreement was in fact reached but that Shevardnadze was compelled to renounce it. If true, this suggests that Russia is now seeking to capitalize on Shevardnadze's weakness. The third factor in the timing of this crisis stems from a Russian perception that the disappointing results to date of the U.S. "Train and Equip" program only strengthens their charge (in U.S. eyes) that Georgia lacks the capabilities for confronting the Pankisi-based terrorist threat.

The Georgian-Russian crisis may escalate even further to pose the first real test of the important strategic partnership between Russia and the United States. Faced with the challenge of balancing its commitment to bolstering Georgian statehood with its obligations under its partnership with Russia, the United States is being quickly drawn deeper into the complexities of the Caucasus. It is the characterization of Georgia as a "failed state" that serves as a core component in the Russian reassertion of its national interests in the southern Caucasus. It remains to be seen whether Georgia will emerge as the first real test or the first real victim of Russian-U.S. cooperation.

RFE/RL NEWSLINE, 13 September 2002

Uzbek, Kazakh Presidents sign border treaty

Uzbek President Islam Karimov made a one-day visit to the Kazakh capital Astana on 9 September, during which he and Kazakh President Nursultan Nazarbaev signed a bilateral agreement finalizing the border demarcation between their countries. In November 2001, a document was signed defining 96 percent of the 2,440-kilometer frontier. The other 4 percent remained in limbo until last week. Protests by villagers in the disputed area, frustrated by the uncertainty of their national status, and patently fearful of being awarded to Uzbekistan, have caused both governments considerable embarrassment over the last eight months—especially when the two most vocal villages, Baghys and Turkestanets, attracted international attention by symbolically declaring sovereignty last December.

RFE/RL's Kazakh Service reported the terms of the new agreement on 9 September. Kazakhstan receives Baghys (with 1,059 ethnic Kazakhs) and a section of the Arnasai reservoir, including the dam and five settlements. Uzbekistan receives the village of Turkestanets, and three villages in the Karakalpak district of Kazakhstan's Qyzyl-Orda Oblast. These three settlements are named Nsan-1, Nsan-2 and Baymurat.

The most controversial point, however, was the decision to award Turkestanets to Uzbekistan. Nazarbaev ingenuously told the press conference, "we know that a certain number of Kazakh families live in the Turkestanets settlement." In fact, its population of about 1,000 people is predominantly ethnic Kazakh. Furthermore, its inhabitants have made their feelings about being joined to Uzbekistan abundantly clear during the last eight months of sporadic demonstrations. Both presidents seemed aware that the announcement would prompt the village's residents to abandon their homes and apply en masse for Kazakh citizenship. Nazarbaev promised that villagers would get help with repatriation, immigrant status and financial support by the Kazakh government, RFE/RL's Kazakh bureau reported. Karimov, in turn, promised that the delimitation treaty "does not mean that barbed wire will be on the border," Interfax-Kazakhstan said. Karimov added that a total of 1.1 million ethnic Kazakhs lived in Uzbekistan, and he claimed that "there are no restrictions whatsoever for those wishing to move from Uzbekistan to Kazakhstan." Whether he and Nazarbaev abide by their promises of freedom of movement across the border remains to be seen. RFE/RL Central Asia Report, 13 Sept. 2002



Another election canceled due to lack of interest

State Duma by-elections in a single-mandate district in Omsk Oblast failed on 29 September because of insufficient voter turnout, Interfax reported. Only 11.51 percent of eligible voters bothered to cast their votes, rendering the ballot invalid. The election was called after the previous deputy from that district, Aleksandr Vereteno, was killed in a boating accident (see "RFE/RL Newsline," 23 April 2002). Vereteno's older brother, Vladimir Vereteno, had been one of the candidates for the mandate, as was SPS local branch head Nikolai Yefimkin, an unemployed worker, and a pensioner.
RFE/RL NEWSLINE, 30 September 2002

Reforming regional finance

The so-called donor regions no longer exist in the original sense of the term, *Vremya MN* reported on 16 October, citing a Deutsche Bank analyst. According to the 2002 law on the budget, all regions—including the traditional donor regions, such as the cities of Moscow and St. Petersburg—receive transfers from the federal budget from various funds such as the Federal Fund for Aid to the Regions, the Compensation Fund, the Fund for Regional Development, the Fund for Co-Financing Social Expenditures and the Fund for Reforming Regional Finance. In a comment to the daily, Duma Deputy Igor Lisinenko (Unity) said he agrees that there are no donor regions left, with the possible exception of the oil-producing republics and oblasts. He added, "Today there are no sources for replenishing local budgets, and all the most significant taxes go to the federal treasury." Consequently, governors, "in the search for new sources of revenue, will start with uncontrolled 'tax reform,' raising consumption taxes, including those on land and real estate," he continued.
RFE/RL NEWSLINE, 17 October 2002

Expert questions draft Law on Voting Machines

The Duma on 30 October approved in its first reading a bill on the use of electronic voting machines, RosBalt reported. The bill was introduced by the Central Election Commission (TsIK) and includes provisions regulating the use of electronic voting machines and approving the vote

protocols that they generate. Deputy Anatolii Lukyanov (Communist), who headed the opposition to the bill, charged that the use of electronic voting machines would make it easier for officials to falsify election results, while TsIK Chairman Aleksandr Veshnyakov, defending the bill on the floor of the Duma, said the new system would make falsification more difficult. Deputy Boris Nadezhdin (Union of Rightist Forces) said the bill lays the groundwork for completely automating the country's voting system and predicted that in the near future, Russians will be able to vote from their homes via the Internet. The proposed law on the use of electronic voting machines will not make Russian elections transparent and reliable, according to Aleksandr Firsov, deputy director of the Institute for the Development of Electoral Systems. The Duma recently passed that bill in its first reading (see "RFE/RL Newsline," 31 October 2002). *Novye izvestiya* on 5 November quoted Firsov as outlining three potential problems with the proposal. First, although election observers can monitor vote counts at polling stations, data would be entered into the automated system at the level of territorial electoral commissions, without the scrutiny of observers. Second, the automated voting system contains tens of thousands of doubles and "dead souls" listed as registered voters. Third, no independent organizations will be able to monitor the voting machines, which will operate under the purview of the Central Election Commission and the Federal Agency for Government Communication and Information (FAPSI).
RFE/RL NEWSLINE, 6 November 2002

Putin signs 'acceptable' accord on Kaliningrad...

Spleaking at a Brussels news conference on 11 November, European Commission President Romano Prodi, EU foreign affairs chief Javier Solana, and President Vladimir Putin announced an agreement on access to the Russian exclave of Kaliningrad, Russian and Western news agencies reported. Under the accord, Russian citizens traveling by car between Kaliningrad and the rest of Russia will be issued special multiple-transit travel documents to cross Lithuanian territory and those traveling by train will receive single-transit travel documents, *newsru.com* and *izvestia.ru* reported. Railroad travel documents will be issued when the ticket is purchased, and Lithuania will reserve the right to deny entry to anyone believed to have violated the law or to pose a threat to Lithuanian security. Putin described the agreement

as "not ideal, but acceptable" and said talks on the issue will continue. *Izvestia.ru* commented that Russia has de facto accepted the EU demand that some sort of visa regime be implemented, even if the word "visa" does not appear in the agreement.
RFE/RL NEWSLINE, 12 November 2002

New Publication

Public Management Forum, A Review for Public Administration Practitioners in Central and Eastern Europe and the CIS, Vol.VII, No. 2-3 December 2002

e Government Experiences in Transitional Countries

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Public Policy Capacity Building in the South Caucasus

A team of LGI and CBIE (Canadian Bureau for International Education) experts visited Georgia, Armenia and Azerbaijan between September 22 and October 18 to make final preparations for the launch of the Public Policy Capacity Building in the South Caucasus project. All three South Caucasus countries expressed strong interest in project implementation.

Armenia

Several stakeholders in Armenia are in a position to start making reform a reality in 2003. The Armenian Prime Minister's Office indicated to the project team that government departments have recently been split into political and bureaucratic branches, with the professional bureaucracy led by a Head of Staff—roughly the equivalent of a Deputy Minister in Canada. The PMO also indicated that the training program proposed by CBIE and LGI is fully consistent with the Government of Armenia's mission of providing its ministers with information, alternative courses of action, recommendations and the means through which to consistently communicate this information to ministers. CBIE and LGI's program comes at the same time that the UK Department for International Development and the World Bank are developing public policy training programs of their own. Meetings with these two organizations indicate that CBIE and LGI's program will complement rather than duplicate their efforts, particularly since CBIE and LGI will focus on training Armenia's Heads of Staff. CBIE and LGI have the support of donors in the region, who are willing to work with CBIE and LGI to ensure a properly coordinated effort. Moreover, OSCE has expressed its willingness to provide political leverage in support of this effort if required. Furthermore, the Armenian Academy of Public Administration, the Civil Service Council and the Prime Minister's Office have

expressed their support for the project and its proposed training agenda.

Azerbaijan

CBIE and LGI's proposed intervention in Azerbaijan comes at a time when other international donors are generally absent from the field. For several years, USAID has been banned from working with state departments and agencies by section 907 of the so-called Freedom Support Act. While those restrictions have recently eased, USAID is still reluctant to spend a large amount of resources and instead is content to work through the activities of NGOs and foundations. One particular area in which they are active is legislation. UNDP is quite supportive of the proposed project because, in its view, it is relevant and consistent with the objectives of the organization.

CBIE and LGI have been encouraged to continue with their project, particularly in the areas of in-service training for existing civil servants and the provision and development of public policy resources in the Azeri language. Specific commitments have been received from the Ministry of Ecology, the Ministry of Justice, the President's Administration and the Azerbaijan Academy of Public Administration. These partnerships will be leveraged in support of this initiative and the institutional change necessary for effective reform. Further cooperation with the Ministry of Economic Development remains a possibility.

Georgia

The Georgian Foundation for Strategic and International Studies hosted a roundtable discussion in Tbilisi for the CBIE/LGI project team and members of the Georgian donor community. In terms of policy, very little has been accomplished in Georgia and although some activities are forecasted, the effort will be small and may not be finalized for some time. The roundtable discussion made clear that no donors had ever conceived of a supply (via the Georgian

Institute for Public Affairs—GIPA) and demand (through the government) project similar to that proposed by CBIE and LGI. The project team believes that this approach, coupled with a moderate will and incentive to participate and a supporting civil society partner, will prove the project successful. The proposed project is consistent with Georgia's governance needs and will complement those activities planned by other donors. The project enjoys the support of the State Minister of Georgia, Avtandil Jorbenadze and Akaki Zoidze of the State Chancellery, as well as GIPA and the Georgian Foundation for Strategic and International Studies. These partnerships will be leveraged in support of this initiative and the institutional change necessary for effective reform.

Irakli Rekhviashvili is the LGI Project Manager responsible for this initiative (rekhvias@osi.hu).

Strengthening Fiscal Framework for Local Government Reform in Caucasus

LGI, UNDP and the World Bank Institute (WBI) are set to launch a two-year program for the development of policy proposals and action plans for local government reform in the Caucasus. It will open in January with an initial training and brainstorming workshop organized in Antalya, Turkey from 19-24 of the month. The 24 project participants—high ranking public administrators and independent non-governmental experts—will work over the course of two years in three groups to prepare policy proposals and action plans for the improvement of local governance in their respective countries. Advisers from the Czech Republic, Poland and Lithuania will assist, commenting on the groups' work and making their expertise available through an online network. In addition, they will take part in regular workshops to be organized during the next two years in the Caucasus.

At the Antalya workshop, participants from Armenia, Azerbaijan and Georgia will

undergo two and a half days of training administered by World Bank Institute experts focusing on expenditure and revenue assignment, financial management and control, training and accreditation for management of local budgets, and balancing national interests against local policies. The attendees will spend additional time establishing specific policy research topics and preparing outlines.

The workshop and the overall program were designed on the grounds of an FDI regional forum for the Caucasus, which took place in Bakuriani, Georgia, in May 2002.

For more information on this project and other FDI activities, please contact Ondrej Simek, LGI Project Manager (osimek@osi.hu).

Technical conference on property devolution in Serbia

LGI organized a workshop in Belgrade on November 8, 2002 in cooperation with the USAID-funded "Serbia Local Government Reform Program" on the topic of transfer of local property. At the workshop, we presented the experiences of four Central Eastern European countries—Hungary, Latvia, Poland and Slovakia. Examples from these countries prove that property devolution is one of the most important conditions for decentralization and democratization in the transition countries.

In Serbia, there presently exist two basic policy options concerning property devolution. Workshop participants discussed the "simple" solution of amending the *Law on Assets Owned by the Republic of Serbia*, which would return to local "social" ownership, in contrast to the option of establishing the basis of local government ownership in a market environment. This would establish the legal basis of municipal property with full rights of elected local governments not only to use local "social" property, but also to sell, purchase and dispose local assets according to law.

There are several conditions requisite for making this more progressive step. Technical prerequisites include the property register, administrative procedures for managing the transfer and improvement of local management capacity. Privatization and restitution policies should be har-

monized with the legislation on local property devolution. The future of local "self-managed" service organizations need to be designated and local autonomy in taxation, zoning, and setting user charges legislated.

In the near future, the LGI/DAI (Development Alternative Incorporated) team will support this policy process by publishing and disseminating the lessons of the CEE countries and by formulating proposals for the Serbian government. The reform process will be supported by the SLGRP project in setting up a task force at the Standing Conference of Mayors, piloting the most active cities in constructing inventories and promoting public debate on property devolution at the local level.

The manager of this project at LGI is Gábor Péteri (gpeteri@osi.hu).

Forum on fiscal decentralization in Croatia

Eighty representatives from ministries, research groups and local government attended the LGI-managed multi-donor Fiscal Decentralization Initiative forum in Croatia on November 14-15, 2002. The organization of the Forum was a timely event, as there are currently several, albeit isolated, efforts to support fiscal decentralization in Croatia. Forum participants formed the following consensus on the future direction of fiscal reforms:

- Present methods of grant allocation should be modified to a transparent formula-based transfer allocation system supporting vertical and horizontal equalization. It should be based on objective output criteria of both expenditures and revenue capacity.
- The personal income tax sharing system should be part of the reform of intergovernmental transfers because of its close connection to the grant system.
- The presently surface-based "communal fee" for funding some urban services should be replaced by some form of value-based property tax. Local governments are ready to take over the collection and administration of local taxes; they need only greater local tax autonomy to influence local economy and SME development.
- Fiscal transparency should be demand-

ed. Presently, grant allocation is not public, and local governments have no access to fiscal information. Despite the progressive Ministry of Finance, which publishes public finance data on the Internet, the budget process remains largely under bureaucratic control.

The presentations from the FDI Forum will be published by early 2003, but most of them are already available on the website of the local organizer—Institute of Public Finance, <http://www.ijf.hr>. Once the FDI Forum proceedings are released, a local task force will begin further policy development work. Our goal is to support local teams in formulating specific proposals in the coming year so that they will be professionally prepared by the time of parliamentary elections in early 2004.

For more information on the Fiscal Decentralization Initiative, visit: <http://lgi.osi.hu/fdi/>

FDI Forum in Bulgaria

On November 20–21, LGI organized a two-day forum on decentralization in Sofia, Bulgaria, with the cooperation of the Center for Economic Development. The forum, organized to introduce and discuss ideas for further local government reforms in Bulgaria and to identify areas for policy development, brought together government decision-makers, local government officials, independent experts, and international development organizations. Workshop participants outlined the following five policy areas to be addressed by FDI in follow-up to the forum:

- First, there appears to be a need to increase decision-making powers of municipalities. Under the current system, Bulgarian municipalities are asked to provide financial resources toward delegated functions without having much power to determine how to deliver such functions.
- Second, municipalities in Bulgaria should have higher revenue autonomy. Bulgarian local governments are at the moment almost solely dependent on intergovernmental transfers.
- Third, conference participants pointed out that Bulgaria does not always demonstrate full compliance with the



European Charter of Local Self-Government prepared by the Council of Europe and signed by the Bulgarian Government. Compliance is particularly questionable in the field of revenue autonomy and decision-making authority.

- Furthermore, there appears to be need for improvement of local government borrowing environment. Bulgarian municipalities, perhaps with the exception of the Sofia municipality, currently have little ability to borrow. Special tolls such as a municipal development fund or municipal financing bank may need to be employed to improve the situation.
- Finally, there seems to be a need to create an incentive structure for municipalities to conduct economic and social policies and there is also a need to improve existing equalization formulas.

LGI will publish the findings from the FDI forum in Bulgarian and English. FDI will provide further assistance to the main stakeholders in Bulgaria, so as to facilitate the inclusion of the conference's findings into policy recommendations and implementation. A Bulgarian parliamentary debate over legislative changes affecting local government will determine FDI's next activity.

For more information on this project or other FDI activities, please contact LGI Project Manager, Ondrej Simek (osimek@osi.hu).

New EU-focused initiative for local government associations in the Baltic states

LGI intends to promote the more active participation of sub-national authorities and their associations in the three Baltic countries as they prepare for EU membership and the receipt of EU funds, a critical preparation for successful EU enlargement. The LGI EU accession initiative prioritizes aiding associations in the accession countries in: (1) foreseeing the impact of enlargement on their activities; (2) formulating and advocating their needs vis-à-vis the EU; (3) strengthening contacts between associations in the accession countries and their counterpart EU associations; and (4) building direct contacts with EU bodies.

- LGI will support the organization of a two-day workshop to be held in Riga at the end of January 2003. 27 Baltic experts working with the Union of Local and Regional Governments of Latvia will attend the workshop and learn to coordinate activities locally with the assistance of the Association of Local Authorities in Lithuania and the Association of Estonian Cities. Experts from EU local government associations (Sweden, Denmark) and representatives of the Committee of Regions and EU delegation will also be in attendance. The workshop will emphasize the impact of EU accession on local governments in the areas of regional development, environment, and employment and social policy.
- As a follow-up to the January workshop, LGI will support policy research in each of the three Baltic states, covering the three policy areas. This will include supporting three one-day workshops where prepared policy papers will be shared, and publishing nine policy studies in national languages, nine in English and three regional summaries or discussion papers in English.
- Finally, LGI will sponsor a two-day conference for 60 members of the three Baltic associations at the beginning of December 2003. Participants from EU local government associations, CEMR, Committee of Regions and local EU representations will be invited. The conference will make the results of the policy research available to a wider audience of local government representatives in the Baltic states and will focus on determining the level of assistance required from the EU for addressing training or policy development needs in the context of EU membership requirements.

For more information on this project or on EU initiative of LGI in general please contact, Ondrej Simek, LGI Project Manager, at (osimek@osi.hu).

UPDATE ON: The Indicators of Local Democratic Governance Project

The Indicators of Local Democratic Governance Project (ILDGP) aims to help decision-makers and researchers assess and explain the level of local democracy in the post-communist countries of Central and

Eastern Europe. This LGI project is managed by the Tocqueville Research Center (T-RC).

- The ILDGP is unique from other international studies of democracy in that its focus is on the local level of governance.
- Its three broad aims are:
 1. Generation of original survey data and collection of other relevant statistical data,
 2. Reporting on the state of local democracy in Central and Eastern Europe, and
 3. Dissemination of both the results and the standardized dataset to inform developmental and policy reform initiatives.
- In 2001 administrative leaders of 2,024 municipalities in Latvia, Poland, Hungary and Romania were interviewed in the framework of a Local Government Survey (LGS), which collects data describing the activities of local governments and the environments within which they work.
- The T-RC is currently collecting a second round of data from all the municipalities in Estonia and Bulgaria and a sample in Slovakian local governments.
- Data on local politicians are derived from the Local Representative Survey (LRS), currently conducted in Estonia, Poland, Slovakia, Hungary and Bulgaria, which focuses on the activities, values, opinions and demography of local councilors.
- Survey instruments as well as the anonymous aggregate data of surveys can be viewed electronically at the website of the Tocqueville Research Center (<http://www.t-rc.org>). Individual data may be obtained in SPSS format from T-RC, with the permission of LGI. Please contact the T-RC (data@t-rc.org) for more information.
- *The State of Local Democracy in Central Europe*, the first volume of country reports produced from the original data collected by the two above surveys, was published by LGI in 2002. It covers Hungary, Latvia, Poland and Romania.
- The second volume is due to be published in fall 2003 and will include reporting on Bulgaria, Estonia and Slovakia.
- In conjunction with this project, LGI issued a call for comparative, thematic reports (December 2002—check LGI's website <http://lgi.osi.hu> for



contribution guidelines). The comparative reports will also be based on the ILDGP data, but will differ from the country reports in that they will focus on cross-country analysis of various aspects of local democracy. LGI intends to publish a book comprised of the best papers.

More information on the Indicators of Local Democratic Governance Project is available from Violetta Zentai (vzentai@osi.hu) or the Tocqueville Research Center (center@t-rc.org).

Civil Service Training in the Transformation Countries: The Role of Foreign Assistance

by Gyorgy Gajduchek

A comparative research project was launched in 2001 with the generous financial support of OSI/LGI to measure the overall impact and efficiency of foreign donor-financed training assistance programs (TAP) in the region. In brief, the research examines the characteristics of civil service training programs and the efficiency of TAPs vis-à-vis the beneficiaries' national civil service training.

- The research concentrates on Phare/Tacis, USAID, British DFID and Canadian CIDA activities performed in Hungary, Lithuania, Romania and Ukraine between 1997 and 2000.
- This research differs from other inquiries in that it is beneficiary-focused rather than tailored to the publicity demands of donor organizations.
- Analyses, conclusions, and recommendations from the study, based on field research conducted in the four recipient countries and at the donor headquarters, will be published by LGI soon.

The contact at LGI for this project is Viola Zentai (vzentai@osi.hu).

LOGIN News

Local Government Information Network Library Continues to Expand

In November 2002, the number of documents contained in the Local Government

Information Network (LOGIN) online library surpassed 4,000. LOGIN currently offers full text downloadable documents in ten Central and Eastern European languages and includes more than 1,000 items in English. This unique resource is available at no cost through the Internet. The objective of the LOGIN Library is to enhance the capacity and professionalism of local government decision-makers through regional information exchange. Users can search the library using keywords or browse content grouped into 33 categories, including municipal finance, legislation, citizen participation, economic development and partnerships, municipal management, and European Integration. LOGIN installed an advanced Library search function in October to make the search process more user-friendly. In addition, LOGIN clients can take advantage of a news service, information on funding opportunities, a calendar of events, and a special collection of EU-related documents. Please visit <http://www.logincee.org> to access all English language documents in the Library. To reach documents in local languages, including Bulgarian, Czech, Hungarian, Latvian, Lithuanian, Polish, Russian and Ukrainian, follow the links from <http://www.logincee.org> to the websites of the LOGIN national partner organizations.

LOGIN in Hungary

On August 5, 2002 the LOGIN project was launched in Hungary, after the signing of a one-year contract for receipt of OSI-LGI funding. The anchor organization for LOGIN in Hungary is the Hungarian National Association of Local Authorities (TÖOSZ), which is the largest and the most established association of local authorities in Hungary. The goal of the project in Hungary is to assist local governments in their activities by providing practical examples, methodological devices, comparative data, analyses and information on actual possibilities in order to promote effective, rational and economically sound decisions. The tools used for the realization of this goal are the dissemination of documents and information through the LOGIN website and the promotion of communication through the organization of workshops and conferences and the publication of articles and professional aid materials. The topics addressed in the framework of the project are: (1) managing enterprise property, (2) system of the use of public

domain, (3) infrastructural investments, (4) local government strategic planning, (5) real composition of financial needs, (6) PR relationships between local governments, and (7) international cooperation among local governments.

For more information, please contact Kristof Varga, LOGIN Project Manager (kzvarga@osi.hu).

LGI Fellowship Conference

LGI held its third annual fellowship conference in Budapest from November 22-25. The fellowship program provides experts and professionals from Eurasia with the opportunity to work with a multinational team on comparative research. In doing their research, Fellows come up with policy recommendations aimed at improving governance and public administration. LGI publishes the results of their study and works with its fellows to enact the reforms called for in the reports.

The annual conference gives LGI the opportunity to welcome its new class of Policy Fellows and say goodbye to its outgoing fellows. This year 38 fellows and mentors from 22 countries participated in the event. LGI's incoming class is divided into four policy-oriented groups: "Digital Divide and E-Democracy in Eastern Europe and Central Asia," "Housing the Poor in Major Urban Centers," "Decentralization and the Transformation of the Governance of Education" and "Administrative Remedies for Abuses at the Local Level." Incoming mentors introduced their topics and research plans and received feedback from the entire group.

Outgoing fellows presented their findings and policy recommendations that derived from their research experience in the following areas: "Fiscal Equalization," "Local Government Performance Measurement" and Water Management in the Caucuses and Central Asia." They also presented their strategies for putting paper into practice—the ultimate goal of the fellowship program.

LGI will begin the selection process for next year's Fellows beginning in March 2003 with an expected deadline for proposals of May 15, 2003. Updates will be posted on our website at: <http://lgi.osi.hu>

company managers. The training is carried out in cooperation with the Energy Regulators Regional Association's consultants and experts. The course focuses on specialties of the local utility sector, performance measurement of services; monitoring methods and procedures; tariff setting and revenue administration; managing the problem of low income consumers. These modules are supported by training materials.

Contact Person: Gabor Peteri, Research Director (gpeteri@osi.hu)

Managing Multiethnic Communities Training Workshops

This course offers 2-day awareness raising programs and 5-day capacity-building workshops. The Managing Multiethnic Communities—Training Workshops are designed for policy-makers, policy advisers, officials from public, private and voluntary organizations, think-tank staff members and the media to raise their awareness about public policies and the role of central and local governments in a multiethnic environment. The aim of the training is to equip participants with skills and knowledge whereby policy-makers can address successfully the needs of multiethnic communities. The main course themes offered under this program are: (1) Ethnic Diversity and Democracy; (2) Ethnic Diversity and Power-Sharing; (3) Ethnic Diversity and Public Policy-making; (4) Ethnic Diversity and Public Service Delivery; (5) Ethnic Diversity Management (6) Equal opportunity policies; (7) Conflict management.

Contact Person: Petra Kovacs, Researcher (kovacsp@osi.hu)

Elected Roma Leadership Trainings

This course assists Roma leaders with enhancing their capacity to best manage public administration, legal aspects of public administration, local government budgeting, education, employment and housing. It also focuses on ways to generate more effective participation in the decision-making process. The overall objective of this program is to help the Roma community increase its human

capacities in local politics. It also raises the awareness of the Roma community about the economic, legal and social problems they are facing.

Contact Person: Petra Kovacs, Researcher (kovacsp@osi.hu)

EU Simulation Games

This training program is based on simulation technology to train administrators and NGO representatives on greater understanding of current and future EU programs, designing project policy proposals and enhancing their ability to prepare written proposals for funding within EU parameters. The main objectives are to enhance understanding of participants of the current (PHARE, SAPARD) and future cohesion and structural programs undertaken by the EU and the criteria for funding proposals.

Contact Person: Ondrej Simek, Project Manager (osimek@osi.hu)

Public Policy Paper Writing

The course is geared towards those who wish to enhance their policy-writing aptitudes, so as to be able to generate more effective and persuasive papers and reports. The course support policy designers and analysts to better target their audiences and evaluates their present policy papers. It clarifies the structure and components of the policy study and ensures that participants have fully grasped all the key elements of writing policy studies in a coherent and effective manner for their context.

Contact Person: Angela Radosits, Training Coordinator (aradosits@osi.hu)

CEU Summer University 2003

Please note that although the deadline has passed for applications, our successful course on Intergovernmental Fiscal Relations will be offered this summer.

Intergovernmental Fiscal Relations
June 29–July 5

Course Directors: József Hegedüs, Metropolitan Research Institute, Budapest, Hungary; Adrian Ionescu, Open Society Institute, Budapest, Hungary; Serdar Yilmaz, World Bank Institute, Washington, USA

LGB Articles Now Being Accepted

LGI is now accepting unsolicited articles for its forthcoming editions of the Local Government Brief (LGB). If you are interested in submitting an article, please follow the following guidelines:

1. Each LGB has a theme. Articles must be research based, policy oriented and directly related to the focus of each particular issue. Furthermore, articles will ideally focus on one or more countries in either Eastern Europe, the Balkans, the Caucasus or the former Soviet republics. However, articles pertaining to the topic but dealing with countries outside of this region, or with a global focus, will be considered as well. The following is a list of the next three upcoming issues, with the final submission date for unsolicited articles:
 - **Public health and health care systems:** February 15, 2003
 - **Administrative remedies for abuses at the local level:** May 20, 2003
 - **Migration:** July 20, 2003
2. The Local Government Brief is printed both in English (1,500 copies) and in Russian (1,200 copies) and is circulated primarily among governmental institutions, public administration schools, research institutes and policy think tanks in Eastern Europe and the former Soviet republics. You may find additional information on the journal at:

<http://lgi.osi.hu/publications/newsletter/index.html>

3. Articles must be written in English and should be approximately 1,500 words in length. The LGB is divided into two sections: (i) the Feature and (ii) Policy Guidelines.

Articles intended for the Feature section aim to provide LGI partners and clients with background knowledge on emerging regional policy issues. The Feature should introduce the “hot issues” related to the topic being addressed in the particular issue. It should also highlight major policy issues and the stakeholders involved, as well as analyze the policy context from the point of view of democratic governance, public administration reform and local governance.

The Feature is written in journalistic style (i.e. *the Economist*). It follows an analytic approach, contains interesting and accessible language and, if necessary, headings and sub-headings. Authors are welcome to include tables and/or figures.

Articles intended for the Policy Guidelines section should be written for an audience of policy-makers, professionals, consultants, experts and trainers in various fields of local governance (public service delivery, outsourcing, budgeting, finance, taxes, revenues, regional development, environment, etc.).

This section aims to increase the understanding of basic terminology and processes of local governance and public administration in the region.

The section is well structured, clearly written and presents a comprehensive introduction/ guide to the topic discussed (Textbook-style). Of course, policy recommendations are a key element of this section as well. Authors are welcome to include tables and/or figures. Short case studies on good practice experiences and on policy evaluation relevant to the topic are also welcome.

- 4 LGI reserves the right to make such editorial changes as may be necessary to make the article suitable for publication.

5. Material will be published in our print issue and our online edition.
6. LGI holds the copyright to all articles published. Submitting an article is a representation that the manuscript has not been published previously (unless noted and permission has been granted) and is not currently under consideration for publication elsewhere.
7. LGI reserves the right not to proceed with publication for whatever reason. In such an instance, copyright of the article will revert to you.
8. Articles must be accompanied by your: full name, email address and CV/resume.
9. Articles, charts and tables must be properly footnoted, using either the Harvard or Oxford style.
10. Our contributing writers are truly “contributing.” As a nonprofit organization, LGI invests its resources in maintaining our high circulation and good reputation, making the Local Government Brief a place where our contributing writers will be widely read and proud to be published.

For more information about submitting an article to the LGB, or about any of the specific topics mentioned in this announcement, please contact Petra Kovács (ascott@osi.hu).

Training: Strengthening Local Democracy in the Stability Pact Region

Romania, Poland and Bulgaria in 2003

Partners for Democracy Change (Partners) is an international organization committed to building sustainable local capacity to advance civil society and a culture of change and conflict management worldwide. This program is geared towards trainers from municipal training institutions in Albania, Bulgaria, Bosnia-Herzegovina, Croatia, Kosovo, Montenegro, Macedonia, Romania, and Serbia. It will be composed of the following regional training workshops: Communication and

Outreach Skills for Municipal Officials; Improving Transparency and Accountability of Local Governments; and Conflict Management Skills.

Participants will receive the tools to equip local government officials with the knowledge and skills to cope with structural changes in their communities.

For details, please contact:

Partners for Democratic Change (Partners) or Partners Romania Foundation for Local Development (FPDL)

Dates and locations of workshops:

1. Romania, April 5–10, 2003 (Communication and Outreach Skills for Municipal Officials), apply by February 4.
2. Poland, May 31–June 6, 2003 (Improving Transparency and Accountability of Local Governments), apply by April 4.
3. Bulgaria, September 20–26, 2003 (Conflict Management Skills), apply by August 4.

Application procedure: Submit application and CV (in English) by email, mail, or fax. Application forms available online. Some grants are available, contact organization for details:

Partners Romania Foundation for Local Development
Str. Piata Amzei 7-9, Sec. D, et. 6, ap. 34
Sector 1, Bucharest, Romania
Tel: (40-1)313-5664
Fax: (40-1) 313-5668
E-mail: fpdl@fpdl.ro
<http://www.fpd1.ro>

Romania's Municipal Infrastructure Reconstruction: Upgrading Infrastructure and Private Sector Financing and Partnerships

New York City, USA
March 27, 2003

Hosted by:

LeBoeuf, Lamb, Greene & MacRae, L.L.P.
125 West 55th Street (between Avenue of the Americas & 7th Avenue)
<http://www.llgm.com>

Pre-Conference Registration begins on Wednesday, March 26 with an ongoing



reception between the hours of 11:00 a.m. and 6:30 p.m. at the Rihga Royal Marriott Hotel (Manhattan). A special conference kick-off event is planned for 7:00 p.m. that evening. The agenda for the full day on March 27 is as follows:

8:00 A.M. Registration and Breakfast

9:00 A.M. Conference Opens. The presentations and open discussion will focus on Romania's key municipal infrastructure programs; the scope of these critical projects; their financing (either already secured or additional funding needed); the changed regulatory environment; incentives for foreign firms. Romania's senior-level municipal managers will address the detailed questions which US companies have about the engineering, construction and financing of these specific projects.

5:30 P.M. Conference Concludes

The one-day event will be followed by the opportunity for Romanians to set up private meetings with US companies ready to continue discussions on Friday, March 28.

Sponsored by:

World Bank Institute

<http://www.worldbank.org/wbi>

UN Economic Commission for Europe's PPP Alliance

<http://www.unece.org>

Urban Age Institute (publishers of "Urban Age Magazine", which was founded by in 1992 by the World Bank)

http://www.worldbank.org/html/fpd/urban/urb_age/urb_age.htm

EuroMoney's Internet Securities Inc

<http://www.securities.com>

International Private Water Association

<http://www.ipwa.org>

Business Monitor (London)

<http://www.BusinessMonitor.com>

EuroInvest Magazine

<http://www.euromoneyplc.com>

VIVODI Telecom (Athens)

<http://www.VIVODI.gr>

ARBUS (American-Romanian Business Support Association)

<http://www.romaniancities.org>
Integrated Strategies

For further information, please contact:

Gordon Feller, Conference Director, 870 Estancia, 11th floor

San Rafael, California 94903, USA

Tel: (1-415) 491-4233

E-mail: GordonF20@attbi.com

LGI Publications

LGI Books

LGI Managing Multiethnic Communities Project <http://lgi.osi.hu/ethnic/> is pleased to announce its new publication:

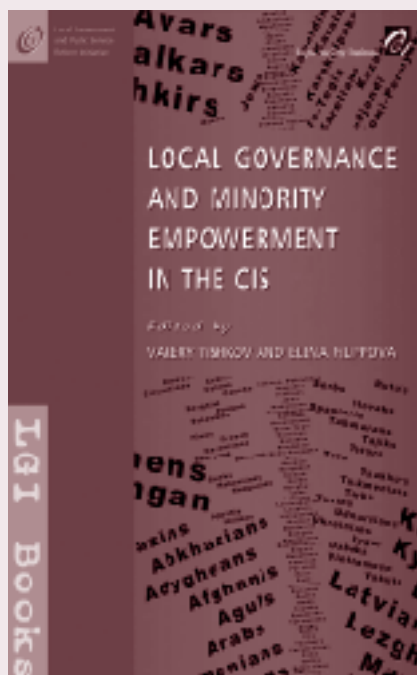
Local Governance and Minority Empowerment in the Commonwealth of Independent States (CIS)

Edited by Valery Tishkov and Elena Filippova

Language: English

ISBN: 963 9419 38 9

330 pages



The majority of countries in Central and Eastern Europe are multiethnic societies. Decentralization and the transition to a free market environment have made this characteristic of nation-states more visible. This has raised the claim for a proactive approach toward multi-ethnic community management. The first step in those countries that plan to solve ethnic conflicts in a peaceful way is to draft legislation on individual and collective minority rights. The second stage of development is to implement these gen-

eral rules and to manage the public sector in accordance with the accepted principles of such an agreement.

Since 1990, a number of countries have made provisions to enact minority rights within the sphere of local administrative units. Many local authorities now have the devolved responsibility of implementing policies that conform to international minority rights standards. However, these provisions are often poorly implemented due to inadequate resources, insufficient technical expertise and a lack of political will at all levels of public administration.

There is an urgent need to develop methods to overcome these barriers and to support local government capacity-building and multi-disciplinary training related to the governance of multiethnic communities, as well as to provide local governments and public administration with the technical support to design and implement multicultural policies that meet the needs of diverse communities. Local Governance and Minority Empowerment in the CIS is the fourth volume of the MMCP book series. It is the result of cooperation between LGI and the Moscow-based Early Warning Monitoring Network (EAWARN). Selected case studies cover a wide range of local policies and practices of accommodation of ethnic diversity in post-Soviet countries. Case studies from various regions of former Soviet Union provide policy-makers, professionals, researchers and development organizations with an overview of various local policy issues to be addressed.

MMCP books are available for capacity-building training programs for public officials in the region.

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LGIpublications@osi.hu

Our publications can also be downloaded from the Internet in PDF and Word formats.

<http://lgi.osi.hu/publications>

Minority Governance in Europe

LGI/ECMI Series on Ethnopolitics and Minority Issues

Edited by Kinga Gál

Language: English
ISBN: 963-9419-40-0
378 pages



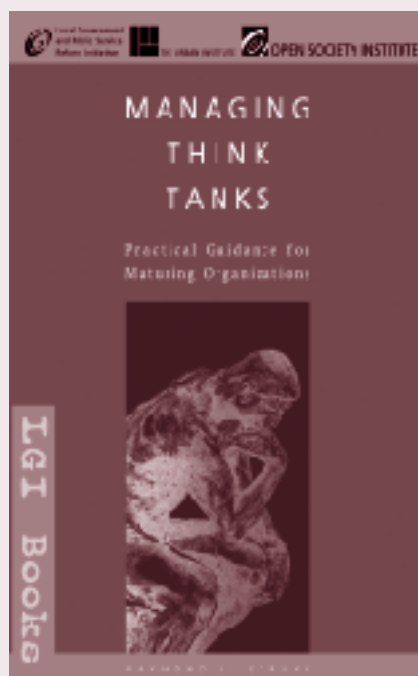
Minority Governance in Europe is the first volume in the new ECMI/LGI Series on Ethnopolitics and Minority Issues. The Series is a joint venture of the European Centre for Minority Issues (ECMI) and the Local Government and Public Service Reform Initiative (LGI). The ECMI/LGI Series aims to provide a highly visible and accessible platform for ECMI's cutting-edge studies. These multi-author works are the result of the Centre's cooperative research projects, often lasting a number of years.

The majority of countries in the former Eastern bloc, in particular in Central and Eastern Europe, feature multiethnic societies. Decentralization and the transition to a free market environment have made this characteristic of nation-states more visible and have raised the claim for a proactive approach toward multiethnic community management. The first step for countries that plan to solve ethnic conflicts in a peaceful way is to draft legislation on individual and collective minority rights. The second step is to implement these rules and manage the public sector in accordance with the accepted principles.

Managing Think Tanks: Practical Guidance for Maturing Organizations

By Raymond J. Struyk

Language: English
ISBN: 963 9419 42 7
266 pages



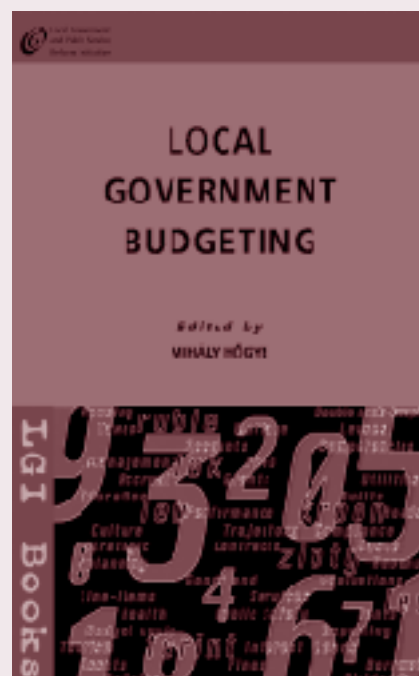
Managing Think Tanks addresses the professional role of those organizations that serve in an advisory or consultancy capacity to policy-makers. Policy formulation today requires the elaboration of numerous policy alternatives; to this end, an increasing number of actors are involved in the process and growing importance is attributed to the institutional and financial consequences of policy implementation. Given the escalating role of think tanks in influencing policy decisions, such institutions are themselves increasing in organizational size and broadening the scope of their activities. *Managing Think Tanks* is intended to assist in this transition by guiding the professional development of think tanks and calling attention to institutional and leadership issues within such organizations.

In its work throughout the region, LGI supports think tanks and policy centers with grants, advice, and training to develop such institutions. In line with its dedication to connecting think tanks throughout the region and abroad, LGI views the publication of *Managing Think Tanks* with the hope of future cooperation with The Urban Institute in other research and development projects.

Local Government Budgeting

Edited by Mihály Höggye

Language: English
ISBN 963-9419-43-5
600 pages



Local Government Budgeting, edited by Mihály Höggye, provides an essential guide to the budgeting process in eight eastern countries and is the result of a two-year regional project initiated by LGI. This survey attempts to meet the needs to experts, administrators, academics, legislators and professionals who would benefit from a comparative analysis of the region's sometimes-woeful approach to budgeting.

Part I brings together scholars in three introductory chapters to discuss the theory, reform and current state of local government budgeting, including a chapter from the leading academic authority, Geert Bouckaert. Part II (on the CD attached in the back of this book) introduces domestic budgetary practices and areas requiring critical attention on the ground in Albania, Bulgaria, Croatia, Estonia, Hungary, Poland, Romania and Russia. Each chapter follows a clear structure meant to highlight what is and is not working in these countries in regards to budgetary practice.

This publication intends to serve domestic policy design and the exchange of comparative information within the region for any party concerned with the policy and process of budgeting for local governments.



Consolidation or Fragmentation? The Size of Local Governments in Central and Eastern Europe

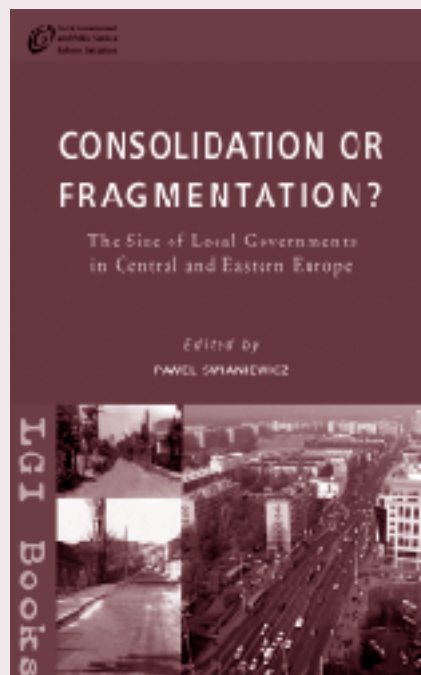
Local Government Public Partnership Books

Edited by Pawel Swianiewicz

Language: English

ISBN: 963 9419 45 1

348 pages



Developed under the close cooperation of the British Department for International Development (DFID) and LGI, this series is part of an ongoing project to include policy in the diet of government authorities in the CEE region. Three volumes are published each year and this volume takes a look at the relationship between local government size, local democracy and local services delivery. It touches on the most critical issues of decentralization: how democratic institutions and procedures, public service efficiency and the size of local government are interrelated. Evidence from countries with fragmented local government structures (Czech Republic, Hungary and Slovakia) are compared with countries traditionally having large local authorities (Bulgaria, Poland). Beyond the country reports, the comparative chapters in this book specify the conditions and components of each basic policy option.

LGI Documents

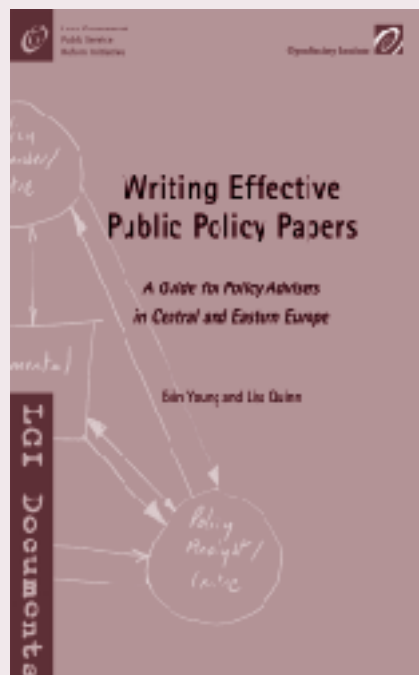
Writing Effective Public Policy Papers: A Guide for Policy Advisers in Central and Eastern Europe

by Eóin Young and Lisa Quinn

Language: English

ISBN 963-9149-39-7

113 pages



Writing Effective Public Policy Papers is a guide which aims to equip policy advisers in CEE with the knowledge and skills to effectively plan, write and publish policy papers in English. It is designed to be used primarily for self-study purposes through the inclusion of interactive features (analysis of published policy papers and writing checklists), but can also support the teaching of policy paper writing in the classroom.

To support the effective presentation of the findings of applied policy research, this guide provides insight into the role and context of the policy paper as a purposeful tool used in the policy-making process. The main focus of the guide is the policy paper produced in the field of policy study and its constituent parts are comprehensively detailed. Through the publication of this targeted guide, LGI hopes to make a significant contribution to supporting the development of the public policy community in the region.

LGI Studies

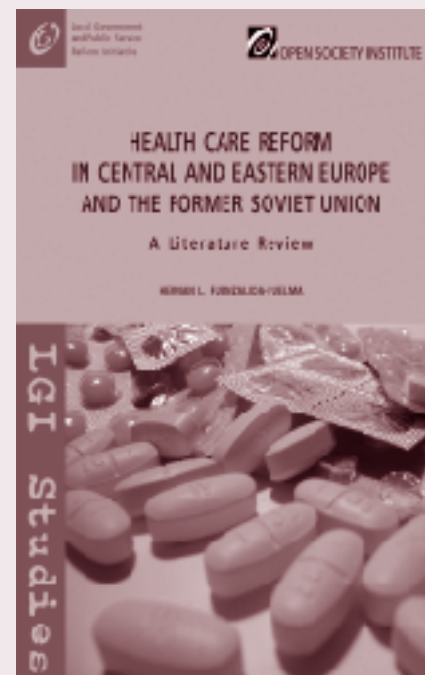
Health Care Reform in Central East- ern Europe and the Former Soviet Union: A Literature Review

by Hernan L. Fuenzalida-Puelma

Language: English

ISBN: 963-9419-55-9

88 pages



This study is a careful and critical review of documents relevant to health care reform in Central and Eastern Europe and the former Soviet Union. Health care is the delivery of diagnostic, therapeutic and rehabilitative services for the maintenance or restoration of health in individuals. Health care reform takes into consideration that such a reform means planned changes towards better organization, financing, provision and regulation of the public/private mix leading to more accessible, efficient, cost-effective fair and quality health care goods and services.

In the course of this review that balances views about both the state and private sector, some of the best documents relevant to health care are presented: policies, financing, regulation, the role of the state and private sector, delivery. The collection of these documents could be useful in teaching and training tools in ministries of health and in social health funds.

The following publications are available from LGI. Please fill out the form below and return to LGI for your order. You may also visit our website at <http://lgi.osi.hu/> to view publications in **html** and **pdf** formats.

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Please indicate the publications you or your organization would like to order in the margin with the number of copies next to the titles of your choice and fax to (361) 327-3105 or post to our mailing address.

LGI Is Not Only a Publisher But a Trainer Too!

LGI is now offering training courses for: national and local government officials, managers of public services and policy-makers and analysts. Our training programs promote democratic and effective governance throughout the post-communist states of Eurasia and beyond. Taught by international experts and the best regional trainers, they facilitate the application of current trends in governance to officials' own, domestic environment.

For further information on LGI training services, please contact Angela Radosits, LGI Training Coordinator (aradosits@osi.hu).

Fiscal Decentralization and Local Financial Management

This course targets government officials, public finance experts and junior university faculty staff. The one-week workshop includes advanced discussions and analysis through exercises and case studies.

Contact Person: Angela Radosits, Training Coordinator (aradosits@osi.hu)

Urban and City Management

The target audience is elected and appointed municipal officials in localities, both urban centers and rural capitals. The course is organized in two-three day interconnected modules.

Contact Person: Irakli Rekhviashvili, Project Manager (rekhviash@osi.hu)

Enabling Municipalities for SME Development

Members of local governments and local business communities learn to provide leadership and guidance in the process of fostering SMEs while promoting public-private partnerships.

Contact Person: Adrian Evtuhovici, Project Manager (evtuhovici@osi.hu)

Practical Issues of Local Public Utilities Regulation

This two-day training course is offered for local government officials and communal company managers. The training is carried out in cooperation with the Energy Regulators Regional Association's consultants and experts, and it focuses on specialties of the local utility sector.

Contact Person: Gabor Peteri, Research Director (gpeteri@osi.hu)

Managing Multiethnic Communities Training Workshops

This course offers 2-day awareness raising programs or 5-day capacity-building workshops for raising awareness about public policies in a multiethnic environment.

Contact Person: Petra Kovacs, Researcher (kovacsp@osi.hu)

Elected Roma Leadership Trainings

This program is designed to help the Roma communities increase their human capacities in local politics in addition to the economic, legal and social problems they are facing.

Contact Person: Petra Kovacs, Researcher (kovacsp@osi.hu)

EU Simulation Games

This program trains administrators and NGO representatives to understand current and future EU programs, design written policy proposals for funding within EU parameters.

Contact Person: Ondrej Simek, Project Manager (osimek@osi.hu)

For a complete description of LGI's Training Services, please turn to page 61

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Any comments, submissions and requests for subscriptions should be directed to: Ms. Petra Kovács, kovacsp@osi.hu