

# TRANSFORMATION OF PUBLIC ADMINISTRATION OF SERBIA AND E-GOVERNMENT ACCORDING TO THE EUROPEAN UNION MODEL

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*Review article*

<https://doi.org/10.58952/nit20231101078>

## Summary

*Transition countries and underdeveloped countries in long-term development strategies seek to eliminate evident anomalies and controversies in all spheres of society. There is an urgent need for a radical transformation of all segments of the community at all levels of organization and innovation, modeled on the developed countries of the European Union. The reform of public authority and administration is an essential obligation of relevant subjects in the context of incorporating one's own creation into modern international trends. The new public management is a modern public sector paradigm based on the implementation of the experiences of developed European countries. The focus is on systemic changes in accordance with the specifics of collectivity, the concept of privatization and the commitment to service to citizens. The first role in the reorganization is achieved by the application of information and communication technologies with the introduction of the eGovernment model in all bodies, institutions and companies. These postulates enable the necessary integration, efficiency and prosperity of society in the broadest context.*

**Keywords:** *information and communication technologies, public authority, administration, e-Government, European Union*



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## 1 INTRODUCTION

After the Second World War, when a system of socialist self-management and a period of the former regime were established, Serbia faced the inevitability of a faster reform of the concept of state administration as an apparatus of power and coercion. In order for this democratic state concept and public authority to come to life in practice, the developed countries needed centuries. On the other hand, Serbia has really started a democratic process, both, then and now, the democratic authorities didn't have any clear and common ideas about the necessity of abandoning the outdated concept of the rule of law. Public administration is the basic, crucial area of the political, legal, economic and / or general social reality of each country. The integrity, quality and dynamics of adoption, is the democratization in each country, and so on in the Republic of Serbia depend on the transformation of public administration. Serbia, in the processes of public administration reform, an important segment of which is a public enterprise, is a late one for several decades in the majority of developed European countries. However, it can use their good and bad experiences, which point to two very important things when it comes to public enterprises. First, we do not have to strictly choose between whether some companies will be privatized or will remain state-owned, as there is a wide range of solutions. An important term for this is the corporatization of the company. Second, also important, is the preservation and protection of the public interest, since the quality of providing services to citizens is the ultimate goal.

The fall of the Berlin Wall led to the beginning of transition, because the socialist economic model was ruined and this defeat brought the countries of eastern, southeastern and central Europe into the transition process. The question of how to replace the state planning sector and how to ensure more efficient use of the means of

production was set up in eastern European countries, including Yugoslavia, the fifties and sixties. In these countries, the abandonment of the already outdated concept of a state-planning economy did not solve existing problems, in particular "over-occupancy". Therefore, in order to ensure the coordination of the privatization process, the state establishes an institutional framework, establishes ministries, agencies and other bodies that take responsibility for the privatization process.

Public administration reform in Serbia, with a focus on privatization, formally dates back four centuries as the basic phase of the doctrine of new public governance. As the main milestone in the reform of public administration, it was taken in 2000 when the first democratic government was formed, and when serious changes in the public - state administration began. A number of challenges were faced before the newly formed government, the most important of which was the direction to continue privatization, which model to choose, because it was clear that worker shareholders could not continue. At that time, the first Privatization Law (June 2001) was adopted, which created the institutional framework for the implementation of the new privatization model. This law set the prerequisites for a somewhat modified classic sales model. Although there were indications of progress in the construction of institutions and the economic system in the later period, Serbia is lagging behind in the transformation, development and application of new expert knowledge and new management methods. That is why the necessary requirements for radical changes of the situation are modeled on the prosperity systems, that is, comprehensive reforms, which is paramount importance for the whole country.

## 2 NEW PUBLIC MANAGEMENT AS A MODERN PARADIGM OF INSTITUTION MANAGEMENT

The initial transition to some extent was also included in the authority, since the Government of Zoran Djindjic realized the necessity of the reform of public and state authority, all with the aim of obtaining a professional, modernized, depoliticized and efficient administration. Although there was a great desire and need for public authority reform, often there were obstacles and "brakes", and one of the main "brakes" was the 1990 Constitution, which reduced the state administration's affairs only to the exercise of power, or rather "Enforcement of laws and other regulations" (Neskovic, 2022). However, the reform had to continue. Milenkovic (2013) states that designing the course and dynamics of public administration reform resulted in the 2004, when the Serbian government adopted the Serbian State Administration Reform Strategy, which was based on the understanding of "... authority as a citizen service, not as a powerful tool of government".

The Government of Serbia's Public Authority Reform Strategy was adopted by the Government of the Republic of Serbia in October 2004. "The general goal of the public administration reform is further improvement of the work of the public authority, in accordance with the principles of the so-called European Administrative Space, i.e. providing high quality services to citizens and businesses, as well as creating such a public authority in the Republic of Serbia that will contribute to economic stability and increase of life Citizens' Standards". (Official Gazette of the Republic of Serbia, No. 55). In order to achieve the goals, the Government of Serbia committed itself to the implementation of the reform in accordance with the following

basic principles: decentralization, professionalization and depolitization, rationalization, coordination and modernization. Under the great pressure and influence of the International Monetary Fund, the government had to proceed with rationalization measures in the state authority, in order to reduce public spending.

The reform of state and public administration and the development of public governance in the countries of Western Europe and the Anglo-Saxon countries (USA, Australia, New Zealand) at the end of the twentieth and early twenty-first century marked various conceptions of the importance of the state in public administration and in the provision of public services. Each of these conceptions breaks through the prism of specificity characteristic of the administrative system of each individual country, thus creating its own public management system. These countries have different economic conditions, political traditions and culture, which are important preconditions that affect the form and content of public administration reforms. Even in developed countries, administrative differences are high. After the Second World War, the concept of an omnipresent state is being developed that marks the development of a welfare state. Due to oil shock, the enthusiasm for the concept of the ubiquitous state is gradually decreasing, followed by its replacement with the concept of a minimalist state whose tasks are constrained to maintain order and stability and open the space for the functioning of the market. At that time, extensive reforms of the state and the administrative apparatus began, with the belief that the market mechanism is more suitable for social regulation and that the state should spend less, and that managers be allowed to manage the public sector through techniques and skills that are known in the private sector. The doctrine that began to develop at that time and which becomes the

starting point of public administration reform is a new public management (Nešković, S., Đelić, T. A., Zurovac, D., 2018). This concept originated in the 1980s under the influence of neoliberal parties in the United States and the United Kingdom, and later expanded into Western Europe - Germany, Italy, France, and Scandinavian countries. The reform called New Public Governance implied public sector reform, such as the introduction of explicit performance measures, the introduction of private sector management styles into the public sector, decentralization, contracting and privatization.

The doctrine of the new public management is a management paradigm aimed at making the public administration system more efficient and quality in order to fulfill all the requirements of the users. The basic idea behind the doctrine of the new public management is to transfer private sector methods and techniques to the public sector, all in order to make it more efficient and cost-effective. There is no single model of new public governance that is more a doctrine consisting of a set of measures and ideas that are adapted to each of the countries in which public sector reform is being implemented according to the model of new public governance. However, there are some of the basic ideas that are presented in the most models (Mateljak, Gjurković, 2016):

- Breaking the traditional hierarchical structure of the public sector, forming a large number of organizations,
- Giving public managers greater freedom in decision making,
- Focusing on the result, rather than the procedure,
- Strengthening the game within the public sector,
- Greater discipline and austerity in the use of funds, which is also achieved through the reduction of the rights of public officials,
- More orientation on customers and making higher value for money.

One of the significant measures foreseen in the doctrine of public management is privatization. Privatization, or denationalization, represents the transfer of state, i.e. public property and responsibility into the hands of a private person. Effective privatization ensures more efficient and more economical performance of public affairs for which it is not necessarily performed by the public service. The basic characteristics of the new public management are the introduction, promotion and strengthening of competition - the aim is to introduce a competitive spirit in order to eliminate monopolies, develop promotion and empowerment of competition, planning and company results - disciplined effort which involves making the basic decisions and implementation of core activities leading the organization and its activities, as well as the adoption of "cascading" chain management to increase transparency involves the analysis and establishment of an internal organization and an external environment, i.e. determining the strength and weakness of the organization (Ružić, Golubić, Latin, Klopota, 2014).

### **3 IMPLEMENTATION OF INFORMATION AND COMMUNICATION TECHNOLOGIES AND EGOVERNMENT**

Modern electronic communications networks should provide data transmission to large flows on main routes, as well as broadband Internet access to each user. The transmission of information to large flows ensures rapid development of interactive and multimedia services, to which user accesses independently of his location. Application of new access technologies improves the quality of life by simplifying communication, easier and faster access to information, access to new forms of entertainment and improvement of cultural life.

From aspect of eGovernment technology refers to use information technologies by public administration institute, which have relations with citizens, business associations and other branches of public administration (ministries, agencies). Information and communication technologies also eliminate barriers between employees, i.e. increasing their integrity and interaction with each other while each individual is anywhere; information from a certain area can be available, which increases flexibility and dynamism of institutions. New technologies have a strong impact on scope of competitiveness, while information systems allow companies to coordinate activities that generate value even at remote geographic locations. So, technological innovations create a competitive advantage. Today, a large number of professions depend on information technology and technological awareness as key skills for professional success. Technological awareness can also be helpful in improving everyday life. Organizations that do not now have new technologies, especially the Internet, are considered traditional and obsolete. In a large number of cases, partnership is conditioned by introduction of this powerful technology. Information and communication technologies have changed traditional organizations, commercial, banking and financial sectors and minimized importance of location as well as depth of organization. The Internet creates a greater potential for faster and better performance of all types of management, because it enables faster, but also better communication with associates. Information and communication technology has a special impact on small and medium-sized enterprises, giving them greater chances for success.

Possibilities of implementing information and communication technologies in business systems in the Republic of Serbia are high. Information and communication technologies have possibility of applying in

state authority, health systems, educational institutions and at corporate level. Application of information technologies is also inevitable for storing and analyzing information that management has at its disposal. New technologies also allow sending of large number of information, over long distances within a short period of time. This allows companies that use electronic technologies in their business to generate significant savings in operating costs efficiently perform their tasks and be more competitive on the market. The application of new technologies leads to a reduction in operating costs, reducing errors, saving time, reducing volume of human work, and increasing accessibility and exchange of information. Prerequisites for the successful implementation of such technologies are regulations on electronic business and electronic signature, widespread use of the Internet, developed telecommunication infrastructure, acceptance of electronic business by management, financial investments for introduction, etc (Nešković, 2022).

Electronic data exchange has enabled sending and receiving documents in standard electronic form via networks, as well as diversity of business and only business has become significantly more economical. Electronic commerce has led to changes in many spheres, as evidenced by emergence of e-commerce, such as: electronic commerce, e-banking, e-government, e-marketing, e-education and others. This development, among other things, brings revolutionary changes in functioning of banks and other financial institutions, which best illustrates emergence of virtual banks that do not have physical branches and where needs for number of employees are minimal, as well as increasing use of electronic money.

The ways in which information and communication technologies have their influence on the social and daily improvement of quality of people's lives are

numerous, so an increasing number of companies decide to create an on-line training system, through which interested stakeholders can learn about how to use certain products and services. Most companies and institutions are currently using information technology in employee training programs intensively.

Communication infrastructure for eGovernment is based primarily on communication and computer networks of local self-government units. In the past, isolated local networks were dominated by different technologies with a minimum level of manageability without a quality and permanent Internet connection. The Internet as a source of information was used to a very small extent and as an infrastructure for interconnection of local self-government units and their connection with the republic authorities and local self-government bodies was not recognized. Computer equipment was reduced to PCs of relatively low capacity and no application software infrastructure of any type was used (database management systems, electronic document management systems, etc.). Implementation of the eGovernment project, among other things, set principles of development of communication infrastructure through the project of development of computer communication infrastructure and project of development of network in local government units.

Network as a technical component covers data transfer details, such as network protocols, a key area for interoperability. These include: Network Protocols, Directory Protocols, File Transfer Protocols, Mail Transfer Protocols, Registry Services, Time Protocols, Time Protocols, Messaging Transport, Messaging Formats, and Digital Radio Communications.

In implementation of security mechanisms, it is necessary to prevent unauthorized use of personal data that are subject to legal protection, taking into consideration the

Law on Personal Data Protection. Security of information communication resources is one of key preconditions for secure communication between all eGovernment participants (G2G, G2C, and G2B). Violation of security can undermine public confidence in so-called eGovernment. Trust is a vital component of eGovernment projects. Without citizens' trust, the eGovernment cannot succeed. Security as a technical component implies inclusion of all layers of system, that is, the unique treatment when designing the whole system from aspect of confidentiality (which ensures that information is accessed only by those authorized to access this information), integrity (ensuring that it is not carried out modifications to information without knowledge and indications that these changes occur), availability (which ensures that authorized users, when necessary, have access to information and related activities), responsibility (monitoring of data access, transactions, make changes to the system ...).

Information security is achieved through the implementation of the Integrated Information Security Management System (ISMS). The information protection system should optimally include: 1. Access control (logical and physical) of all who access the network; 2. Availability of information, systems, networks, devices and necessary personnel; 3. Authentication of users and devices, before giving access to resources; 4. Integrity of information, networks, systems, devices and personnel; 5. Data confidentiality and access to data, only to authorized users; 6. Incompetence of the performed activities and possibility of verification by a third party; 7. Compliance with all relevant laws and regulations. 8. Guidelines for protection and working documents (administrative, user, technical instructions, graphic presentations and check lists, technical bulletins for new protection technologies, etc.). A secure computer network also includes defined elements such as zones, resources, VLANs,

DMZ zones, NAT, access server, wireless, proxy servers, VPN, antimalware system, centralized collection as well as analysis of logs in network, physical access control. Concerning computer network devices, data encryption.

E-government (e-government) is using information technology in general, in particular e-business, in order to provide citizens and institutions with more convenient access to government information and services (services) and provide public administration services to citizens, business partners and to everyone working in public sector. E-Management means the way in which public management is organized in order to increase efficiency, transparency, ease of access and the ability to respond to demands of citizens and businesses. E-Governance represents form of electronic business of the government and its authorities and refers to delivery of electronic services to various target groups in the public, as well as on business cooperation and government transactions with various organizational entities, such as other government agencies, agencies or partners.

Therefore, the essence of new way of functioning of public administration is electronic business, that is, its direct application. E-Management from aspect of a businessman is a fast electronic registration of the company, arranged, electronically managed cadastre of real estate, public announcement of public procurement procedures or on-line public procurement. E-government from the aspect of citizens is the availability of different information such as new laws and regulations, public works notices, tax assessment, payment of obligations on-line, as well as obtaining various documents. E-Governance is not just providing services over the Internet but it also involves use of other information communication technologies such as call centers, answering machines, fax machines, mobile and SMS

technology or a combination of information and communication technologies and traditional procedures (e.g. ordering a birth certificate books born via SMS or the Internet and posting to home address). In addition to appropriate scope of electronic services, successful e-Government system also entails a high level of customer satisfaction.

Establishing a system of information exchange between the authorities and e-government agencies is extremely important for performance of entire e-government system, since it ensures that information is not required additionally from the user for eventual needs of another e-government authority when it enters the system, but is automatically forwarded to all parts of the e-Government, which should process given information.

Basic databases - registers used in e-government systems are: Citizens Register, Register of Legal Entities and Register of Spatial Objects.

As a rule, these registers are organized and maintained by various e-Government entities, but they must provide a way to transparently use these databases by any state authority authorized to do so, as well as on standard interface that ensures full security of said registries. It should be said that administration on the way to electronic goes through five stages of online presence (Nešković, Đelić, Zurovac, 2018):

- Presence at the beginning - limited amount of information;
- Enhanced presence - more information related to different spheres of action;
- Transaction - Two way online information exchange and provision of different services in this way;
- Transformation - complete integration of processes and transformation of change (joined-up e-government);

M-administration (m-government) is one of directions of e-government development. It

represents use of mobile and wireless information and communication technologies in order to improve functioning of public sector institutions. In this case, information and communication technologies are mobile and wireless technologies - mobile and smart phones, tablets, laptops, PDAs (personal digital assistants) connected to the LAN. In this way, e-services of the public sector become available "anytime, anywhere" for citizens. Some examples of this type of communication are: Ministry of Internal Affairs, Parking Service, Citizens' Registration of Legal Violations, Census and Surveys, Tax Debt Notifications, etc. M- Administration also encourages citizens to participate in work of the Public Operations Department by means of messages, informing them of possible violations of the law. M-administration is particularly interesting in developing countries, where internet network is not developed, and number of mobile phone users is growing. M-administration should not be understood as a substitute for eGovernment, but as a supplement. Mobile devices are not suitable for transferring a large amount of complex data. Despite rapid development, however, these devices offer less possibility than computer. For example, one SMS is limited by numbers of characters, and email allows for almost unlimited amount.

The benefits of introducing eGovernment can be seen in general through the following benefits:

- Reducing costs: By providing services available online, costs of various transactions are reduced manually, increasing speed and accuracy in relation to paper management.
- Economic development - technology allows the government to simplify, develop better relations with business institutions and create a positive climate in all spheres of business. Direct impact on development of the economy and market is evident in e-procurement.

- Increasing transparency and accessibility: various information-budgets, income, expenditures, debates, decisions are published ...
- Increasing the availability of services: diversified services, increased availability and content.
- Improving administration work: computerization, financial integration, staffing, cost management and control, data analysis increase efficiency.
- Forming e-society: perhaps the most important segment of eGovernment development, overall progress of society, integration of all citizens towards common goal.

The direct benefits that citizens achieve by introducing the e-Government are that they can do their jobs faster and without waiting, without being in long queues, getting timely and accurate information, or doing a job for which it sometimes takes several days to divide various government institutions i.e. employees in local self-government bodies also benefit from simpler and more efficient mode of operation, information up-to-date and faster communication. The introduction of eGovernment also benefits local government authorities: a) Less pressure on the counter b) Creating a good relationship with citizens gives a picture of something happening in favor of citizens, c) The benefit of the state apparatus is double: savings and satisfied citizens, d) Reducing the costs of business, e) Reducing number of employees in the state administration, f) Eliminating corruption, g) Eliminating abuse in the public procurement process.

The benefits of the economy by introducing eGovernment are following:

- Increased access to information and services,
- Reducing communication and transaction costs,
- Easier, faster and cheaper business.

The data obtained in the research carried out in the European Union show:



- 80% of users consider online services in their countries of good quality, and more than half are satisfied with these services.
- In most cases, time savings (84%) and flexibility (65%) are highlighted as the biggest benefits of on-line services.
- Basic requirement of user was to make services faster and easier than they would do by filling out and submitting forms at counter.

## CONCLUSION

Concept of new public governance after it appeared in the UK expanded both to developed and less developed world, yielding very favorable results if it adapted to policy and organization of the state. As we have already mentioned, it is not a unique and rigid model, but an elastic doctrine with basic measures with possibility of upgrading. Bearing in mind experience of countries in the world that have moved far in the privatization process, they point out that there is no single universal model on basis of which privatization would be carried out, and that these experiences show that it is necessary to create a regulatory system before process to restructure public enterprises to a certain level. On this basis, certain public companies should be left, at least in a certain period, owned by the state if it creates economically irrational outcomes with introduction of real or potential competition in existing technology.

The public administration reform in Serbia, with a focus on privatization in the last two and a half decades, has yielded very modest results. Due to the scarce results of privatization, the importance of public enterprises has grown more than in developed economies. The slow process of privatization is affecting both the public and the private sector badly. Privatization so far has not yielded expected results as intentions and goals of its managers have

mushroomed. From the point of view of the state, its goal or interest in privatization was creating conditions for further economic growth and development, investment flows, job creation, new markets, increased production and exports, improved living standards, in a word, welfare. However, in practice this proved to be only a list of good wishes, since in a large number of companies there was a termination of contract, disregard of the obligations assumed in sales contract, etc., which led to an unfavorable environment (corruption, gray economy) in which it took place privatization.

There are a number of negative factors and impacts, both internal and external that has affected economy and the state of Serbia throughout transition period, especially during the 1990s, which led to slowdown and inconsistency of the reform process. Decline of socialism did not lead to creation of a modern market economy, but the system began to collapse and break. As far as paradoxically sound, today's more unfavorable situation in the economy than it was in 2000, because the state property is a sale, large debts were created abroad, and accordingly, a large inflow of foreign currency reserves is directed towards spending. This is the so-called "white economy". It comes down to the sale of the fatherland, the borrowing of neighbors and the spending of money in limpers and taverns. When we summarize the results of the process of privatization of public enterprises, they are modest, unfavorable, and the process is at a slow pace and it is still not completed, the inflow of revenue for process of such a scale is insufficient, and these funds have been used in the right way instead of being used for investments, they went to consumption.

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