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***PUBLIC ADMINISTRATION***



## **ITALIAN LOCAL PUBLIC SERVICES: SOME GOVERNANCE HIGHLIGHTS FROM THE LARGER CITIES' EXPERIENCE<sup>1</sup>**

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**Abstract:** *Entrusting most local public services to local government entities has led to proliferation of public groups and, consistently, to greater complexity of the governance dynamics of local authorities. Differently from Anglo-Saxon countries, the Italian local public services provision has been characterized by a hybrid externalization process where local entities are legally autonomous but owned by the local government. This leads to a peculiar governance complexity source represented by the dual role (stakeholder and customer) assumed by the local authority. Considering these elements (hybrid externalization and governance structure), this work tries to investigate some governance issues of public groups, basing on the two most populous Italian municipalities. The empirical findings highlight a gap between the presence of the conditions for defining a group governance structure and the adoption of a group approach by the parent local government. The authors try to suggest how to bridge this gap.*

### **1. EXTERNALIZATION PROCESS OF THE LOCAL PUBLIC SERVICES**

The evolution that has interested the public administration in recent years has been related to every sphere of the public sector activity (Broadbent and Guthrie, 1992; Pollit and Bouckaert, 2000; Christensen and Staerbaek, 2007) . Particular turmoil has affected the provision of local public services (Hartley and Hallison, 2000; Boyne and Law, 2005) characterised by an externalization process aimed to the involvement of private organization in order to introduce managerial concepts and tools into public administration.

The privatisation process of the local public services provision (Spulberg, 1997; Feigenbaum et. al., 1998) has been on the political agenda for the last two decades and the literature identifies two main explanation for the diffusion of this process (Pallesen, 2004):

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<sup>1</sup> This work was prepared jointly by the two authors. However, it is possible to assign paragraphs 1 and 2 to Daniela Preite, paragraph 3 and 4 to Fabio De Matteis.



- a political-ideological explanation considers privatization as a strategy to reduce the size of the public sector, to change the political culture from “government nanny” to “enterprise culture” (Pollit, 1990; Studlar et al, 1990) and to obtain efficiency gains in the public administration (Vinning and Boardman, 1992; Lopez de Salines et al., 1997);
- an explanation that defines the privatization as a New Public Management pragmatic policy instrument (Lane, 2000) that can be considered (in a more cynical variant of this pragmatic view) as the solution to immediate problems such as the need for cash (Feigenbaum and Henig, 1994).

The externalization/privatization process can be realized through different alternatives adopted in different geographical areas (Reichard, 2002; Torres and Pina, 2002; van Ham and Koppenjan, 2002; Bovaird, 2004; Grossi and Reichard, 2008). These solutions can be summarized considering that the paper is focused on the Italian context. So it is useful to evidence some aspects of the local public services provision structure in a different context (the authors refer especially to the Anglo-Saxon world) in comparison to the Italian situation.

In the Anglo-Saxon world, the main privatization policies are represented by selling public assets and contracting out. The former provides immediate and significant revenues through the property transfer from public to private organization. Contrarily, contracting out should generate savings on public expenditure (Domberger and Jensen, 1997) entrusting local public services to private operators and regulating the public-private relationship through a contract.

Another externalization alternative is represented by the so called mixed delivery. This implies the use of both private contracts and public production for the same service (Warner and Bel, 2008). This solution should allow:

- the maintenance of a direct involvement of the local government in the service delivery process (Miranda and Lerner, 1995; Brown et al., 2008);
- the facilitation of public-private partnership where the private partner assumes some aspects of service delivery and the public assumes others (Warner and Hefetz, 2008);
- the introduction of competition in the local service market through competitive bidding between public and private operators.

The above mentioned tools, used to realize the privatization strategy, are characterized by the independence of the public and private organizations involved in the process. This represents the crucial difference between the Anglo-Saxon public services provision structure and the Italian one, which is similar to the public services arrangement of the other European continental countries.

In effect, Italian local governments entrust the provision of public services to enterprises that are legally separated by the local government. Since the beginning of the Ninties local utilities have taken an autonomous legal status that is actually represented by a prevalent joint-stock company legal form. So, a local utility can be a publicly owned firm or a mixed public-private firm.

The former is characterized by a private legal form and a capital totally owned by the local government. The second is a firm where the ownership is divided between the local government and the private parties. In both cases, the subsidiary's capital is

participated by the local authority. Consequently, the municipality is, at the same time, the principal shareholder and the main customer of the subsidiaries responsible for delivering local public services (dual role of the parent local government). So, in Italy the provision of local public services to meet the needs of citizens is characterized by a group structure composed of:

- the local authority as leader that retains the ownership of the function and responsibility;
- subsidiaries that are charged to provide public services.

The described situation highlights the specificity of the Italian local public service provision that is characterized by both the coexistence of different organizations (public and private) and the hybrid nature (legally private identity and public ownership) of the local government's subsidiaries. This implies a specific attention to the concept of governance and requires the need to analyze and evaluate the character of governance of the local authority group.

The concept of governance is broad, not univocal and used in different contexts (both public and private). Consequently, it is difficult to find a common point of view on the governance elements and definition. In the public sector, governance can be considered as the set of rules, practices and laws that allow the exercise of public authority in order to satisfy public interests. This approach highlights the aspects of control and coordination involved in a governance process to pursue the common interest (Lynn and Hill, 2003). Control and coordination can be attributed to the reduction of the public authority (Shick, 2003) that increasingly relies on the contributions of private actors in the provision of local public services (Kettl, 2000). The dissemination of different forms of collaboration and the subsequent development of reticular structures involve the emergence of a perspective of governance. The ability to coordinate and to make consistent the activities carried out by many organizations having different objectives (Pierre, 2000), can be considered a typical element of the governance concept. It is interesting to notice that this element implies some evident difficulties that are increased by the peculiar Italian public services provision structure. In effect, the coordination and control activity on the local public group members is more complex considering the dual role of the parent local government (shareholder and customer – see par. 3).

Actors, roles and relationships of the local government group are complex. This implies the relevance of the coordination activity and the difficulty to realize it in order to reach a model of effective governance. Hence the main interest of this work that is represented by the local government group governance, analysed in its main components (number of group members and coordination geared to meet public interests).

Given this premises, the objectives of the paper is to investigate some aspects that characterize the Italian hybrid externalization of the local public services provision in terms of local government groups composition and governance (considering the relations linking the parent local government and the hybrid organizations responsible for providing public services).

To this end, research was conducted and its objectives, methodology and results are presented in the following paragraphs 2 and 3. The analysis highlights:

- the plurality of subjects involved in a group of the public administration;
- the activities carried out by the parent local government and its influence on the composition of the subsidiaries decision-making bodies (coordination activities).

The last section (par. 4) contains some conclusions arising from the empirical results together with suggestions considered helpful by the authors to support the local government in defining an efficient governance structure for the hybrid structure of the local government groups.

## 2. RESEARCH QUESTION AND METHODOLOGY

Through their research the authors try to answer the following research question: what are the features of the local government group phenomenon in the Italian public sector and how to configure some governance issues relating to the local government group?

In detail, the analysis focuses on the following objectives:

- the composition of local government groups in the main Italian municipalities;
- the role played by the parent local government;
- the manner of appointing local government representatives in the subsidiaries boards;
- the influence of the parent local government in the subsidiaries governance in terms of number of advisers appointed by the total number of members of the Board of Directors of each subsidiary.

To collect information the methodology followed is represented by a telephone questionnaire.

The sample investigated is composed by the Italian local governments having a population greater than 1.000.000 (Rome and Milan). The respondents were technicians of the local governments: directors or officers of “Subsidiaries Office”. Furthermore, the analysis on selected municipalities refers only to the entity directly participated by the local governments.

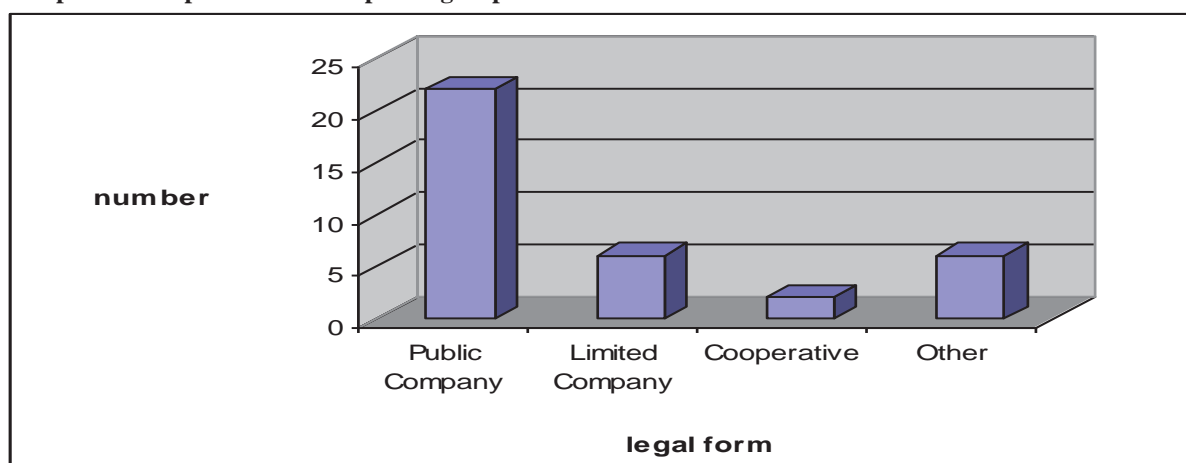
## 3. RESEARCH RESULTS

The analysis focuses on the following points:

- composition of local government groups;
- activities conducted by the parent local government;
- some profiles inherent to the governance structure of the local government groups.

*Composition of local public groups.* The first question of the questionnaire aims to investigate the local public groups composition in terms of the legal form of subsidiaries.

**Graph 1 – Composition of local public groups**



- The 36 subsidiaries identified are shared as follows:
- 61% (22 subsidiaries) is represented by public companies;
  - 17% (6 subsidiaries) is represented by limited companies;
  - 6% (2 subsidiaries) is represented by cooperatives.
- The residual category "Other" (17% – 6 subsidiaries) includes municipal enterprises, agencies, etc.

Together with the legal type variety the research shows a functional variety of the local government group. In fact, the business activities of the subsidiaries are heterogeneous: transport, disposal of waste, reflux of waste water, maintenance of urban green spaces, etc.

- The fore mentioned results lead to some thoughts on:
- the need of the parent local government to consider the problems that may arise by the governance asset of the group in planning and controlling its activities. In other words, the definition of the governance structure may influence the group in defining its plans and the related control on results;
  - the presence inside the local government group of private legal nature entities together with the local government. This implies the coexistence of public and private logic.

*The activities undertaken by the parent local government.* The second question of the questionnaire seeks to delve into the activities carried out by the parent local government analyzing its dual role:

- as a customer when it entrusts subsidiaries to provide local public services;
- as a shareholder arising from shares held by the parent local government in the subsidiaries equity.

**Table 1 The activities carried out by the parent local government as a customer**

	Activities
Prevalent legal content activities	Drawing up of service contracts
	Definition of the selecting procedure to choose the providers of public services
Prevalent managerial content activities	Control on service contracts
	Accounting control on payments defined in the service contracts
	Coordination of local government internal sectors competent for the public services delivery carried out by the subsidiaries

Table 1 summarizes the activities carried out by local authorities as a customer. Both Rome and Milan answer that the role of customer is not played by the “Local government entities Office”. It is attributed to each municipal sector that is responsible for the specific service provided by each local government entity.

The respondents are oriented towards a prevalent managerial content activity represented by control on service contracts. The focus of the control is to verify the compliance of local public services to the qualitative and quantitative indicators contained in the service contracts. In some cases the control activity is accounting oriented, and it verifies the correctness of the amounts paid or received by the parent local government for the delivery of public services carried out by the subsidiaries.

More limited is the involvement of the respondents in carrying out an activity of coordination of their different internal sectors that are competent with respect to the local services provided by subsidiaries.

With reference to the activities with prevalent legal content the drawing up of service contracts is predominant. The definition of the selecting procedure to choose the providers of services is marginal.

Furthermore, the following hypothesis should be considered: the greater commitment of the respondents in prevalent managerial content activities stems from the fact that these tasks are of continuous type. Rather, the prevalent legal content activities take place only when their generating situation occurs (e.g. control on service contracts is done periodically throughout the year, while the drawing up of service contracts happens only when it is necessary to regulate relations between parent local government and its subsidiaries).

**Table 2 The activities carried out by the parent local government as a shareholder**

Prevalent legal content activities	Prevalent managerial content activities
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drafting acts and deliberations	the investment plans analysis; the budget analysis; feasibility analysis for the formation of new subsidiary
preparing documents related to special corporate operations and drafting statutes or amendments to them	coordination of the local government representatives in its subsidiaries Board of Directors
collecting the subsidiaries balance sheets in order to annex them to their year-end report	support activity to the decision-making bodies on the subject of municipal investment
verifying the compliance of subsidiaries activities with the legislation on local public services	
participating in subsidiaries meetings	the analysis of the subsidiaries balance sheets; the drafting of qualitative and quantitative reports on the subsidiaries activity at the end of the year
collecting subsidiaries information requested by the Home Office	drawing up of the consolidated financial statement
appoint their own representatives on the Board of Directors of the subsidiaries	

In relation to the parent local government as a shareholder, the empirical findings show that this role is centralised and specifically attributed to the “Local government entities Office”.

The investigated municipalities show that prevalent managerial content activities are represented by: the analysis of the subsidiaries balance sheets; the drafting of qualitative and quantitative reports on the subsidiaries activity at the end of the year; the investment plans analysis; the budget analysis; feasibility analysis for the formation of new subsidiary. Sometime the local governments undertake support activity to the decision-making bodies on the subject of municipal investment. This activity takes place in the drawing up of an informative report by the subsidiaries or by the parent local government. The coordination of the local government representatives in its subsidiaries’ Board of Directors is more marginal. Only Milan declares to be on an experimentation on the drawing up of the consolidated financial statement of the local public group.

As for the prevalent legal content activities, respondents demonstrate a commitment predominantly in drafting acts and deliberations, in preparing documents related to special corporate operations and in drafting statutes or amendments to them.

The parent local governments also declare to collect the subsidiaries balance sheets in order to annex them to their year-end report; to participate in subsidiaries meetings; to verify the compliance of subsidiaries activities with the legislation on local public services; to collect data needed by the Home Office; to appoint their own representatives on the Board of Directors of the subsidiaries.

The empirical findings allow to identify the possible approaches of the parent local governments towards their controlled entities. In order to highlight them in a concise and comprehensive way, the following roles-activities matrix has been built.

**Table 3 Roles-activities matrix**

		Activities	
		Prevalent legal content	Prevalent managerial content
Roles	Customer	I - LOC	II - MOC
	Shareholder	IV – LOS	III - MOS

The first quadrant shows the parent local governments that act as a customer carrying out prevalent legal content activities (legal oriented customer – LOC). Contrarily, the second quadrant reveals the local governments engaged in prevalent managerial content activities in their role of customer (managerial oriented customer – MOC).

The third quadrant considers the shareholder position of the local governments that carry out prevalent managerial content activities (managerial oriented shareholder – MOS) . The fourth quadrant highlights the parent local government commitment in prevalent legal content activities as a shareholder (legal oriented shareholder – LOS).

The empirical findings on the activities undertaken by the parent local governments show that Rome and Milan are more oriented in playing the shareholder role rather than assuming the customer position. This situation is supported by the organizational point of view: in effect, the shareholder role is played by a specific office (“Local government entities Office”).

*Governance profiles.* The aspect of the governance structure analysed is the manner of appointing the parent local government representatives within the subsidiaries’ Board of Directors.

Three different ways can be followed by local governments to choose their members on the subsidiaries’ Board of Directors:

- Fiduciary relationship related to the political spoil system;
- Professional profile;
- Mixed method.

Rome and Milan express the use of a mixed method that defines a specific regulation for the appointment of local government representatives in the subsidiaries Board of Directors considering also fiduciary elements.

Two elements could be interpreted as a cause that influences the governance structure of the local government group:



- the strong presence of parent local government representatives in the subsidiaries' Board of Directors;
- the diffusion of the fiduciary relationship between the politicians and the representatives in appointing the parent local government representatives in the subsidiaries' Board of Directors.

#### **4. CONCLUSIONS AND WAYS FORWARD**

Entrusting most local public services to local government entities has led to proliferation of public groups. In Italy, as well as in other European continental countries, the local group is characterized by the presence of a parent local government that has the dual role of shareholder and customer of the subsidiaries responsible for delivering local public services. The dual role assumed by the parent local government affect its relations with the subsidiaries also in terms of activities carried out by the parent local authority.

The empirical findings outlined above involve some concluding reflections on the investigated aspects.

Both the financial resources invested in the group and the social impact of its activities, show the essential need of a careful and united local government group management.

Local government groups are characterized by complexity that derives from at least three factors:

- the coexistence within the group of a public entity (parent local government) with private companies (subsidiaries);
- the hybrid nature (legally private identity and local public ownership) of the local government's subsidiaries;
- the heterogeneity arising both from the subsidiaries legal form variety and their functional variety represented by the different activities that the subsidiaries carry out (the local public services).

The complexity emphasizes the relevance of the coordination by the parent local government on the subsidiaries activities.

As to the activities carried out by the parent local government, they are strictly influenced by the hybrid externalization of the local services provision. In effect, the hybrid solution leads to a local government that is charged of different activities on the basis of its role as a shareholder and as a customer. As outlined by the research results, the shareholder role is centralised in the "Local government entities Office". This is significant because in that position they have the possibility to define the governance profile of the group. As a shareholder the parent local government carries out the managerial content activities related to specific issues (e.g. the analysis of the subsidiaries financial statements and the drafting of qualitative and quantitative reports on the subsidiaries activity at the end of the year). In this case, research highlights a focus on each subsidiary activity and not on the whole group. Furthermore, the local authorities does not aim at the establishment of group strategies and related control system to verify the results achievement. The research has also allowed to have a direct contact with the selected local governments. This reveals that the activities carried out by the parent local



governments are conducted in terms of habitual practice, rather than informational supports for the decision-making process. Such a situation highlights that there is not a "group approach" by the parent local government towards its subsidiaries and, consequently, this leads to a reduced consideration of the governance issues.

In conclusion, the analysis points out the presence of the conditions for defining a governance structure that leads to an efficient and effective group activity. These conditions are represented by the coordination need, the formal control deriving from the parent local government participation in the subsidiaries' equity, the common objective of all the local government group members represented by the community needs satisfaction, etc.,.

The outlined circumstances do not reflect on the parent local governments' commitment in defining an approach to direct the activities of the group.

To improve this situation, the parent local governments could:

- review their relationship with the controlled entities in order to take a more results-oriented point of view rather than one influenced by short-term political objectives;
- adopt a "group approach" as an overall guideline that can be used to address the one-on-one relations between the parent local government and each subsidiary;
- implement planning and control group instruments, e.g. strategic plans and consolidated financial statements (Preite, 2006). These tools can allow the operating effect of the governance commitment;
- empower all members of the group on the defined objectives through the implementation of appropriate instruments of external accountability (De Matteis, 2010).

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## **NEW STRATEGIC APPROACHES IN ROMANIAN PUBLIC ADMINISTRATION**

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**Abstract:** *In the condition of a dynamic environment where the citizens needs and requirements are constantly changing, a particular importance in ensuring a competitive advantage, it assumes strategic approach of the public organization, where marketing becomes a source, a management model necessary for increasing efficiency of the organization. Marketing fulfils four functions in public organization, which reflects a circuit in a continuous movement, aimed to investigate the market, identify community needs, to meet the needs of citizen, therefore lead to increase economic efficiency and permanently connecting the public organization to dynamic environment, this in turn can be achieved by a thorough and efficient market research for the Community that addresses. Therefore the marketing strategy in public organization is a new concept, a new way of thinking, a new orientation which is designed to meet the needs of citizens and to improve the image of public organizations. This paper proposes a comprehensive approach to community development strategies through public marketing. The structure of the paper is represented by introduction, specialized literature review and content. Our research highlights the importance and the need of implementing a marketing strategy in the public organization for local development and beyond.*

**Keywords:** *strategies, public administration, public marketing theory, public management*

### **1. THE CURRENT STATE OF KNOWLEDGE**

The scientific research conducted by specialists from the public management field gave the possibility to establish several opinions regarding public marketing and strategic directions for impact implementation, monitoring and evaluation in public administration. Thereby, Alexandru Nedelea (2006) in his study „*Marketing in Public Administration*” argues that public marketing is marked by a number of features caused by the specific of public field, the environmental influence on public institutions and by some specific elements from the public service.

Public marketing could be seen as a form of social innovation for public administration, it could represent a new way for resolving the various problems of the public system regarding the promotion of its programs, their necessity and effects. For public institution, marketing represent a method to obtain and keep people satisfied with the programs developed and implemented by the public field.

Also, this issue has concerned on Vasile Munteanu in his study „*Public Marketing*” (2006), stating that public marketing is concerned with the development of principles, regularities, methods and techniques available for connecting the services offer and demand (public, for information, charities). Public marketing’s objective would be to meet the citizens’ needs and social prosperity.

Lurdes Marlene Seide Froemming in his study „*Marketing público*” (2009) argues that in order to obtain benefits from using public marketing concepts, it is necessary to apply the principles of strategic planning, as it is achieved in any management activity.

The organization strategy problems discussed by Ana - Maria Bercu in her study „*Public management strategies*” (2013), defining the strategy as being a series of organization goals and objectives, for medium and long term, an optimum use of organization resources for the purpose of achieving them in order to obtain a competitive advantage according to the organization's missions.

Adriana Grigorescu, Constantin Bob, Emilian Dobrescu in their study „*Public and Private Business Marketing*”(2007), underlines that public marketing has show up as a new approach for public organizations because of their need to offer services to citizens in a satisfactory manner. This it aims to change the citizens attitude about the society’s problems overall.

Martial Pasquier in his study „*Marketing del sector público*”(2009) stand by the idea that the services offered by public sector are not a smooth unit. The services nature (health, education, infrastructure etc.), the intervention method (direct implication, delegated to another authority etc.), the management system, the public organizations environment (the authorities’ situation, government monopoly, controlled competition, endless regulations etc.) are extremely varied. The author believes that studying these public organizations services and activities from the marketing’s perspective, it could finally establish some clear criteria to facilitate the method for implementing the marketing tools in the public field.

Also, on this line Judith J. Madill in her study „*Le marketing dans le secteur public*” (1998: 10-20) shows that marketing in the public sector is not a smooth activity because there are four types of marketing in the public service and underlined that there are major differences between public marketing and private marketing, these differences make it impossible to apply marketing techniques from private field to the public one. The author believes that a well-designed public marketing strategy that takes into account the characteristics of institutions from public field, it could help a lot the public officers to serve the citizens and overall to achieve the institution’s objectives.

In contradiction to the ideas developed by the author Judith J. Madill is the opinion of the authors Andreas Kaplan and Michaela Haenlein that in their study „*The increasing importance of public marketing: Explanations, applications and limits of marketing within public administration*” (2008), quoting Parker shows that for marketing,

the public administration recalls associations of bureaucratic processes, inefficiency and lack of performance, while for public administration, marketing is sometimes seen as a non-productive and resource consumption sector.

Chías Suriol Josep, in his study „*Una teoría general del marketing público*” (1995), states that public marketing represents the changing science from public sector.

On this line, the author Santesmases Mestre Miguel, in his study „*Marketing. Conceptos y estrategias*” (1996) believes that public marketing is a part of the business marketing that circumscribes to the exchange activities between public authorities. However, it doesn't include activities carried out by the companies from public property which compete with the private sector and seek economical benefits.

José Luis Vázquez Burguete, Pablo Gutiérrez Rodríguez, María Purificación García Miguélez, Helena Maria Baptista Alves in their study *Pasado, presente y futuro del Marketing Público. El ciudadano como consumidor de las administraciones públicas* (2010) have introduced the concept of public marketing both in a limited way and in a wide way.

Lucica Matei in the study *Public Management* (2006), shows that the public sector has always performed public marketing, but didn't use this term. One of the main reasons put in favour of public marketing development is the necessity to discover the citizens' needs for meeting the general interests with a quality service. And knowledge needs is just the core of marketing.

## **2. THE NEED FOR PUBLIC MARKETING AND STRATEGY IN PUBLIC ORGANIZATIONS FROM ROMANIA**

In the speciality literature there are a number of interpretations for the strategy concept, it isn't allowed a single universal and unanimous accepted definition. The recent practice in the social sciences field is accompanied by a growing interest in seeing the strategy as a social practice (Nordqvist, Melin, 2009: 15-17), with implications for the development of public organizations. From a historical point, the strategic planning was seen as one of the most important practices of an organization.

The strategy can be defined as a set of organization goals and objectives, on a medium and long term, optimal resources utilization for achieving them, to obtain a competitive advantage according to the organization's missions. Regardless of how the strategy is defined, it maintains a social economic development for public organizations through efficient and optimal resources utilization (human, informational, financial, and technological) and through a satisfaction of citizens needs.

A public organization characterized by strength, formalism and inflexibility, must answer to the ever growing and changing citizens needs, which requires a high degree of adaptability and compliance. The strategically directions can lead to the organization's development, to diversification and expansion. From here, it could be applied a number of strategies such as: communication, diversification, development, administrative, economic strategies and especially marketing strategies.



It is important to understand that marketing is not limited only to advertising or promotion and product pricing determination; distribution and promotion are a part from the marketing strategy (Madill, 1998: 19).

In terms of a dynamic environment where the citizens needs and requirements are constantly changing, a special importance in ensuring a competitive advantage is the strategic approach of public organization, where marketing becomes a source, a management model necessary for ensuring the organization efficiency growth.

As such, marketing can be defined as planning, coordination and control of all the public organization activities, focused on the current and potential markets. Through a permanent satisfaction of citizens needs, it is pursuing the organization objectives achievement.

The public organizations come into contact with citizens, with which it should maintain good relations. Their purpose is to provide public services such as: transport, health, education, social security etc.. Although they often own monopoly (eg. passports and identity cards releasing, defence services etc.), some services are provided by private actors that offer a qualitative version (eg. private schools, private hospitals, courier services etc). In some opinions (Anton, 2013: 108-110), for the health system in Romania the main challenge is to improve the mix of resources to support medical (doctors, hospital beds and pharmaceuticals) and to develop a strategy for this sector which must have the aim to grow the role of private health systems as: introduction of new formal mechanisms to co-payment for reduce informal payments, further market development and regulation of insurance voluntary health.

As a result, the role of public marketing strategy is to determine citizens' needs, to develop and to improve the products and services offered, to improve the communication between public organization and citizens and also to measure the level of citizens' satisfaction (Lurdes, Seide, 2009: 19).

At present, there are many problems in public organizations and in the way how public services are provided, this leading to a low level of gratitude and satisfaction for the society.

The major difference between public marketing and marketing from the private field is that the public organization doesn't seek a profit, doesn't sell a particular product or service, but wishes to inform, to present some issues that would have a major impact on society, for example the advertising campaigns for information made by Romanian Police regarding the reduction of deadly accidents number, broadcasted by Romanian televisions, their purpose is to determine public opinion awareness on the dynamics and consequences of road accidents and also to reduce the number of road accidents that are caused by excessive speed and passer's indiscipline.

But, public marketing techniques uses the techniques from the private field, by promoting the policies developed by the public organizations, but as already stated, for example, from an advertising campaign (for information) it isn't intended to have as a immediate outcome, selling a product but rather it wants to keep the citizens informed and satisfied with public services.

It is important to mention that public marketing strategy isn't used to transform the public sector into a private sector. This it should take into account the specific

characteristics of the public sector, in orders to fortify them by applying marketing concepts. But, public organization must remain careful and not to think that marketing is able of anything: marketing is not a universal cure; it is only a process that allows an efficient organization of the public sector (Romain, 2007: 53-54).

In public organizations, the resources (human, material, financial, informational) are allocated mainly on current activities' evolution (collecting taxes and fees etc.) and less on its services development and innovation, so citizens' are not satisfied with the way they are served by public officers and with the method of solving problems.

Public marketing is considered to be an application of the methods and practices from the private sector into the public one, but it is taking into account the environment and the public activity's feature. There are a number of barriers in the marketing application process in public organizations, which are based on the lack of confidence shown by the staff from public organizations and on the reservation that comes from their part, and public officers perform their duties in a traditional manner and without taking into account the needs and the changing and growing requirements of the citizens.

In some cases, in a public organization when it makes a decision, first it isn't detected the demand and then later it is build the required offer. An example may be the decision to build a gym in a community where the proportion of young population is relatively small and so it isn't show interest and benefit for that community. This decision is made precisely because it refuses to use public marketing techniques designed to remove these differences between "demand" and "offer".

Because of failing to promote the public services and the new techniques of using these services, citizens have a specific negative mentality towards them. In the way that a large part of public organizations do not have a website or if they have it has poor information, there isn't the possibility of using public services online, or it is limited. For example, seeing all websites of the city halls from urban area of Moldova, there was found that some websites such as Darabani, Adjud, Roznov, Comănești City Hall have some vague information about the city hall's activity overall, without including online services, public documents, the number of website visits, etc., while the websites of Galati, Iasi, Piatra Neamt City Hall presents a wide range of information about online services, how to use them, public documents useful to citizens, the number of website visits, a section that promotes certain private companies from the area, etc.

So, through the marketing strategy implementation in public organizations, they will adapt to the social economic realities, because researching the society needs overall and identifying the main complaints of the citizens and their needs, they will be able to act immediately in direct correlation with the changes and the various citizens requirements. Under these conditions, their image is improved, the satisfaction level (for public officers and society) increases and the public services will be better, especially considering the adaptability to the citizens needs.

Public organizations' marketing performs four functions that can be represented schematically as follows:





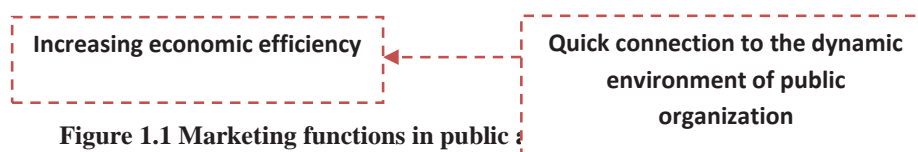


Figure 1.1 Marketing functions in public administration  
Source: processing of information by Nedelea (2006)

The four functions that marketing performs in public administration, represented in Figure 1.1, reflecting a circuit in a continuous movement, designed to research the market, identify community needs, to meet the needs of citizens, lead to increasing economic efficiency and permanently connecting public organization to environmental dynamics, which in turn can be achieved by a thorough and efficient market, which addresses community.

Since the public sector there are little choices and public services offer is poorly promoted people are turning more often to the private sector. In this regard we can mention medical services (hospitals, private clinics), education services (kindergartens, schools, and private universities), and postal services (courier service). As a result, public marketing is required, in order to investigate the "market" thus identifying the needs, and also to investigate the level of citizens' satisfaction.

The public administration misunderstands marketing term because it always is associated with advertising, but it has four instruments: product (service), price, distribution and promotion (the correct information). So the basic idea of marketing is "satisfaction and value for the citizen". According to town halls analysis in the Moldova region was found that out of 55 analyzed only 12 municipalities have implemented the counting number of hits, which means that public organizations are not directly concerned to monitor the site impact to the citizens and that the information presented are of a real value to society as a whole.

As such, even if the relationship is not commercial between citizen and public administration, because citizens do not pay directly and do not choose their supplier, marketing in the public sector is useful in terms of knowledge needs of the population and the need to provide quality services that meet the citizens' needs. Basically, a public organization must research the market and identify those taxpayers' needs that they serve.

Currently, implementing the marketing strategy in public administration in Romania is no more a fashion but a necessity, due primarily to the evolution of society and secondly the requirement of the public sector to meet the multitude of general and collective needs, most of the time with more limited resources (both financial and human).

### **3. RESEARCH REGARDING THE DEGREE OF IMPLEMENTATION OF THE MARKETING STRATEGY WITHIN PUBLIC ADMINISTRATION IN ROMANIA**

### **3.1. The current stage of implementation of marketing within public institutions in Romania**

Currently, public institutions in Romania make decisions and allocate financial, material, economic and informational resources without taking into account the population's requirements and the degree of necessity of a certain service.

At this time, the public marketing strategy is implemented the most in the public transportation field, in the medical field, in education and it is implemented least or not at all within city halls.

A direct marketing program named Ad Personam took place at the public transport level. It was deployed in medium cities and focuses on 7 pilot projects from 7 European countries (Albacete (Spain), Baia Mare (Romania), Besançon (France), Funchal (Portugal), Heraklion (Greece), Lancaster (United Kingdom) and Modena (Italy)). Ad Personam promotes Local Public Transport and it is a European project, co-financed by the European Commission within the "Intelligent Energy Europe" program.

In Romania this program underwent development in Baia Mare by the Baia Mare City Hall and SC Urbis SA (local public transport company). Towards this purpose, the city hall put together a marketing strategy, researching the field and advertising appropriately. The Baia Mare municipality considers the Ad Personam project the starting point of a new friendly and intelligent local transport system, creating a marketing plan that desires its expansion to a national level by involving more local public transport companies, as well as city halls<sup>2</sup>.

In the medical field there are frequent ad campaigns designed to inform the citizens of the excessive use of some products. The Ministry of Health comes to the aid of the citizen by offering products according to their needs and requirements. There is also a series of campaigns to aid people suffering of cancer, HIV, hepatitis etc. all of these in a partnership with the public health domain. The public medical sector is developing marketing strategies with the purpose of helping the citizens have a healthy life.

As for the education sector, public marketing is applied somewhat. For example, universities create a marketing strategy every year to promote their colleges and draw in students, involving campaigns to inform potential students and research their requirements, needs and wishes.

At this point in time, public organizations in Romania are poorly promoted, especially on the Internet, which is a disadvantage when it comes to their image (and the image of the public sector) and when it comes to a more extensive approach to the organization's budget itself.

It is estimated that currently the public marketing strategy is implemented and promoted most in the health, public transport and education fields and it will gradually spread to the other fields and local institutions, like city halls and local councils. Research was conducted on official websites of city halls from the urban area of Moldova to identify the degree of implementation of public marketing in city halls.

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<sup>2</sup><http://www.marketingpublictransport.eu/spip.php?article579> (accessed on 11.03.2012).

### 3.2 The purpose of the research

The purpose of this research is to emphasize the degree of implementation of the marketing strategy within city halls from the urban area of Moldova, to emphasize the importance and necessity of phasing it into our country's public administration.

### 3.3 The research hypotheses and goals

The conducted analysis emphasizes that local administration pays a great deal of attention to public marketing and indentifying marketing activities that are taking place in the urban area of Moldova.

#### Hypotheses

H1. Within public organizations marketing is a concept, a way of thinking, an orientation meant to answer to the needs of citizens and to improve the image of public administration

H2. The local administration misunderstands the term "marketing" because they always associate it with publicity, not the complex content showcased by the four instruments: product (service), price, distribution and promotion;

H3. Local administration marketing is a systematic search process that leads to knowing the market and the consumer.

H4. City halls contain a public marketing organizational structure.

#### General objective

The general objective of the study is to emphasizing the degree of public marketing implementation in the city halls in urban areas of Moldova.

#### Specific objectives

a. Identifying the existence of city halls' official sites for the purpose of analyzing public institutions.

b. Identifying the popularity of official websites for the city halls in Moldova's urban area.

c. Identifying the quality of the services offered through the official websites for the city halls in Moldova's urban area.

d. Identifying the attention city halls pay to public marketing by analyzing local development strategies.

### 3.4 Research methodology

The research technique used was *description* (Iosif, 2001: 23). This entails taking a photo, an image based on observations and documents. The methods used in this research looked at both quantitative and qualitative elements.

*Quantitative methods* entailed the collecting of numerical data, processing and analyzing it and presenting them as tables or charts.

The *Qualitative methods* were comparison, decomposition, grouping and generalization.

*Comparison* represents the most common form of materializing the logical thinking process applied in the examination of phenomena, through which one seeks to establish the similarities and the differences between them. It is the first step of analysis because it leads to obtaining a qualitative and quantitative characteristic of the researched phenomenon's evolution.

*The decomposition method* entails splitting the researched phenomena and processes to their basic elements in order to gain in-depth knowledge of them. It is a deductive process, moving from generalization to specifics, from the whole to the part. The method ensures the possibility of locating effects and causes within time and space.

*The grouping method* entails identifying essential characteristics of the researched collective and forming groups based on them. This method requires conducting a multilateral research that leads to identifying the homogenous groups of characteristics.

*Generalization* (or result evaluation) is a qualitative method of reuniting the conclusions we drew from the study into a coherent ensemble, while at the same time keeping the essential aspects (Niculescu, 1997: 22).

### ***Applicative research***

In order to conduct this research an analysis of the official websites for the city halls in Moldova's urban area was performed. These city halls were chosen because they represent a homogenous, heterogeneous population and because the percentage of population living in an urban environment is greater than the percentage of population living in a rural environment, making the results of the research more relevant.

Data was obtained by individually accessing each official website for the city halls in Moldova. They were found on the internet by using the Google search engine (this step was necessary because there is no standard model for the domain name, for example the Onesti city hall's website is <http://www.onesti.ro/>, while the Gura Humorului city hall can be found at <http://www.primariagh.ro/>). The research was conducted between 17.02.2013 – 05.04.2013.

#### ***What was researched?***

- a. the existence of the city halls' websites, the design, advertising the city, the local companies and the city hall;
- b. number of hits the website got;
- c. conducting polls on the website;
- d. the existence of local development strategies and how much they value marketing.
- e. the existence of a public marketing department within the organizational structure

For the city halls that have an official website, each researched element was graded (very good, good, satisfactory, bad, and very bad). A description can be found in Appendix 1-5.

### **3.5 Analyzing and interpreting data**

***a. The existence of the city halls' websites, the design, advertising the city, the economy and the city hall***

Public organizations' budgets could grow if they had internet advertising through a website, on account of the fact that they could advertise the surrounding areas and the tourism potential with the resources they value and most importantly they can obtain money through each click on links or banners, for their contribution to sales or ads, also local businesses could be included on the city hall website, thus raising their profit as well as the city hall budget.

Advertising activities are a landmark of public organization activities due to them supplying information that can be considered one of the three basic instruments that the organization uses to influence the citizens' opinions, attitudes and behaviour, next to the economy policy instruments and the regulations (Andreas, Kaplan, 2008: 205).

Advertising within public organizations needs to follow the change in the citizens' perception of it by showcasing quality of service and public servant professionalism.

As such, advertising is the way to present an image of the organization that attempts to improve it, displaying the organization's prestige while also seeking the good will of the public by displaying success and accomplishments. This is necessary and efficient for the public sector.

An analysis of the official websites of city halls in Moldova's urban area revealed first of all that most of the have an official website (only two out of 55 don't have one, Beresti city hall in Galati county and Darmanesti city hall in Bacau county) and the city halls of Brosteni (Suceava county) and Podu Iloaei (Iasi county) only have a blog featuring mostly information about the town. Aside from these there is also the website of Vicovu de Sus city hall which could not be accessed due to an error that persisted throughout the entire duration of the research. As such we can conclude that the public administration took a first step towards promoting and implementing a viable and efficient marketing strategy.

Official websites are diverse, from encompassing to lacking in detail. There are some websites that should be an example for the entire Moldova area, like *the Galati city hall website*. It has a clear structure, a simple design and it is easy to find information.

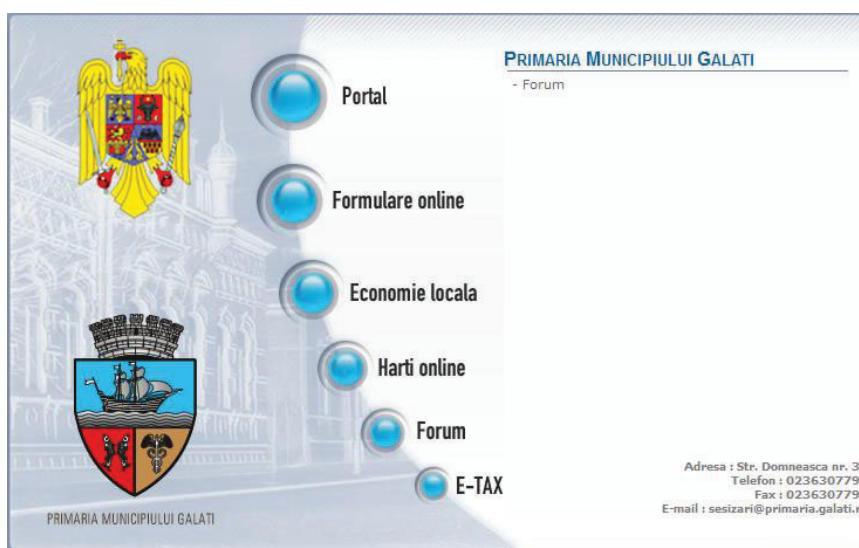




Figure 3.1 Galati City Hall Website

Source: <http://www.primaria.galati.ro/> (accessed on 11.03.2013)

In the *Portal* section there is data about the city hall, local council, organization, public services, the schedule, it includes surveys, counts the number of hits, a map of the city, European projects undertaken or completed, the local development strategy etc. The *Online forms* section contains declarations, applications for issuing licenses, permits, authorizations, etc.

The *Local economy* section features local economy news, information about companies, institutions and organizations in the city, local investments, foreign exchange etc. Companies, institutions, organizations are grouped by area of activity (health, banking, computers and telecommunications, etc.) and their address, phone number and daily schedule are displayed, in other words promoting the local economy and attracting investors to the area. That is why we can say that Galati is a major economic centre in Moldova.

As such the official website of Galati City Hall promotes both the city hall by providing useful information to citizens about the public services they offer, undertaking marketing research and developing a local strategy based on the needs of the citizens, and the city by promoting local investors while pursuing other investors.

Another official site offering information about public services offered to citizens, trying to get closer and closer to them is the *Iasi City Hall site*.

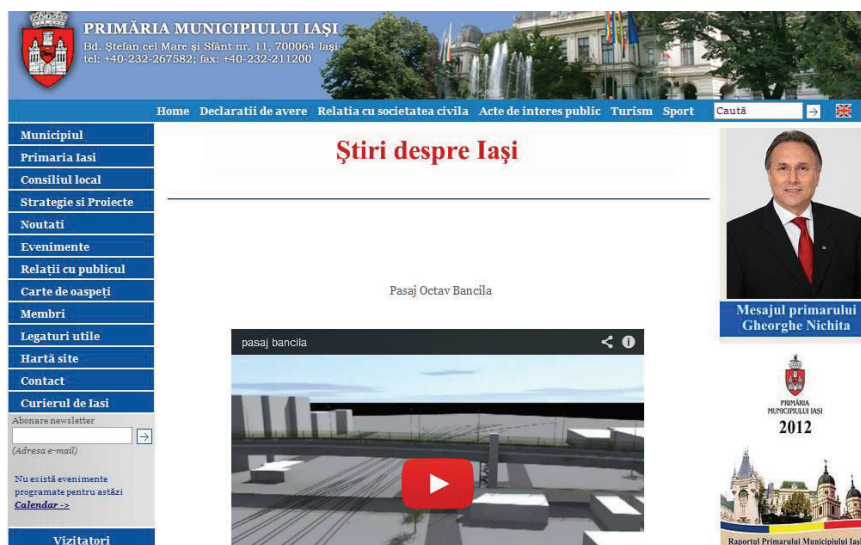


Figure 3.2 Iasi City Hall Website

Source: <http://www.primaria-iasi.ro/> (accessed on 11.03.2013)

It has a nice design but it requires some improvement, it is too simple, but the information is available to citizens, all European projects undertaken and completed are presented and detailed, it presents some aspects of the city in general but it could promote culture, economy, tourism and public institutions better.

Regarding *the official website of Piatra-Neamt City Hall*, it offers a wide range of information, from things related to the city in general to those directly related to the

public institution. The public information it contains is meant to inform citizens about the organization, its activities and its responsibilities, the sights of the city and its promotion in general. The design is pleasing; colours were used in the coat of arms that is a dark brown, red and gray.



Figure 3.3 Piatra Neamț City Hall Website  
Source: <https://www.primariapn.ro/> (accessed on 11.03.2013)

This site promotes both the city with a photo gallery of main sights, and public administration. A page that is useful to citizens is named "*see how public money are being spent*," it consists of an interactive map that can be accessed at the following link <http://www.hartapiatraneamt.com/>, it enables citizens to track investments, their location, their status and their value. This map enables users to search for an investment in Piatra Neamț and also select an area of interest:

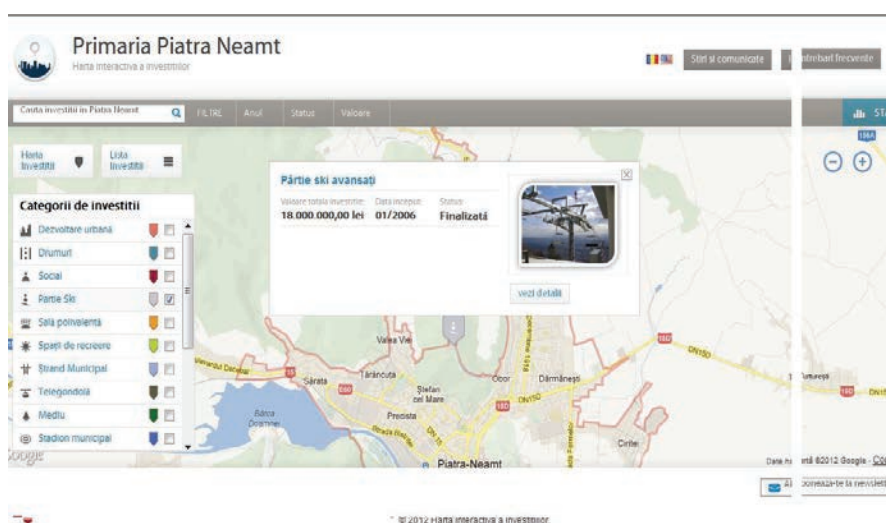


Figure 3.3 Piatra Neamț City Hall Website  
Source: <http://www.hartapiatraneamt.com/> (accessed on 11.03.2013)

As such, this site is created to suit the needs and demands of citizens, promoting online services, ensuring high transparency and growing closer to citizens.

On the other hand, the vast majority of sites in the urban area of Moldova are created only because local authorities are required to have a website, they contain little

information, contain no online services, they do not present the city hall departments, the daily schedule, the public documents, etc. In other words they do not "sell themselves" appropriately, do not promote themselves or provide public services that citizens need.

In this regard the Darabani City Hall (Suceava County) website can be given as an example.



Figure 3.4 Darabani City Hall Website

Source: <http://www.primariadarabani.ro>(accessed on 11.03.2013)

As shown in the figure above, the site is simple, it does not provide information about the City Hall activity, contact details, name of the mayor, the existing departments, organization, does not include surveys, counting the number of hits, promote economy area, investors, public institutions and most importantly it does not provide citizens with the necessary information about the municipality (daily schedule, offices etc.)

The Adjud City Hall official website also offers little information, it is outdated, badly promotes the town and the overall activity of the city hall, and most importantly it does not target citizens, it doesn't take into account the needs and wishes of society.

With more involvement by the public authorities, they could be closer to citizens by implementing a well-designed official website that responds to the demands of citizens in an effective manner.

There are major differences between the two categories of websites. Though they all are in urban areas of Moldova, their websites and the services available through them are totally different, what distinguishes them most is the implementation of marketing strategy.

By creating a marketing strategy in line with the requirements, needs and desires of citizens we would see an increase in long-term socio-economic development, the overall public administration picture would improve and people would be more satisfied with the public services provided.

For City Halls that have an official site it has been analyzed primarily in terms of *design, the promotion of the city, the economy (companies in the area), the city hall as a*



whole and according to the degree of fulfilment of each of these criteria, a grade was established for each municipality in accordance with Appendix 1.

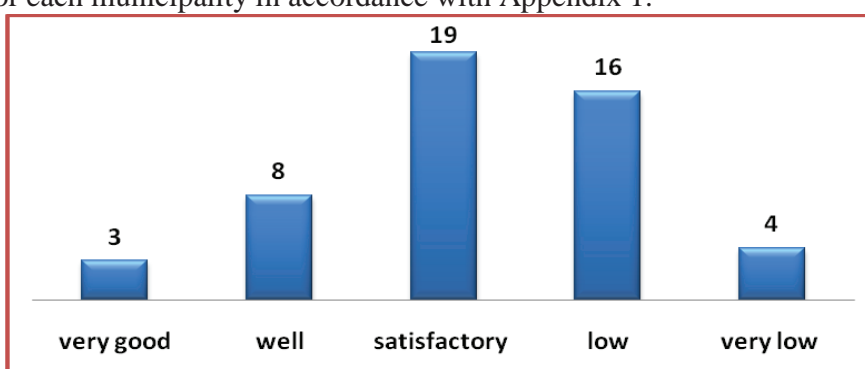


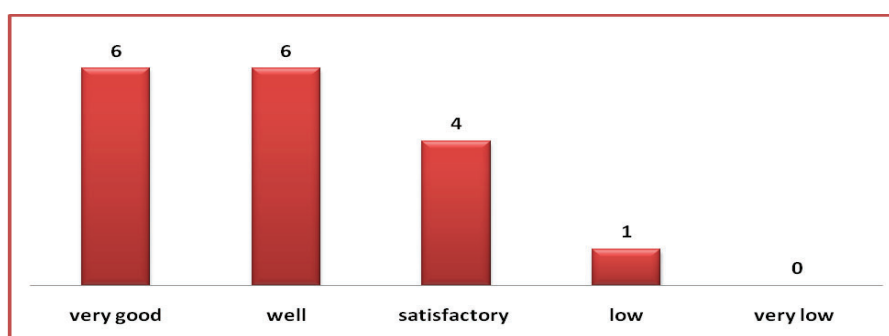
Figure 3.5 Classification of municipalities according to the rating given to the design, their promotion of the economy and the city  
Source: processing data by the authors

It follows from the above figure that most official websites of municipalities in urban areas of Moldova were rated *satisfactory* which means that most have overloaded pages, menus with many sub-categories, the promotion of the city and the local economy is weak but it's there, even if only to a small extent. The three sites that were rated *very well* were Galati (Galati County), Piatra Neamt (Neamt County), Gura Humorului (Suceava County), they have a professional website, the pages include new and relevant information. You can easily browse the information about the city and promoting companies in the area is great. They are closely followed by the 8 sites that were evaluated as *good*.

An encouraging aspect is the fact that only 4 of the 50 official sites were rated *very bad* (Darabani, Roznov, Salcea, Solca), which means that marketing is starting to be implemented locally and attention is paid to promoting public image, but it requires some work.

#### ***b. Counting the number of hits***

As for counting the number of hits the site gets, it is only slightly implemented, meaning that public organizations are not directly concerned with monitoring the impact that the site has on the citizens, if the information presented there are of real value to society as a whole and whether citizens use the services that are provided online.



**Figure 3.6 Classification of municipalities according to the rating given for counting the number of hits**

*Source: processing data by the authors*

From the figure above we can conclude first of all that of the 50 official sites owned by municipalities in urban areas of Moldova 17 have implemented this service while 33 have not yet implemented counting the number of hits, and second of all it can be observed that of the 17 that have implemented it, most of them evaluated as *very good* and *good*, according to Appendix 2, which means that these municipalities show the total visitors, visitors per day, per current week, per current month, they make charts to identify the point at which there was a decrease or an increase in hits, you can compare the two cities by the charts and also they show the number of online visitors.

**Table 3.1 Municipalities / cities that have implemented counting the number of hits**

County	City / Municipality
<b>BACĂU</b>	Bacău
	Onești
	Comanești
<b>BOTOȘANI</b>	Stefanești
<b>IAȘI</b>	Iași
	Pașcani
<b>SUCEAVA</b>	Suceava
	Câmpulung Moldovnesc
	Gura Humorului
<b>VASLUI</b>	Bârlad
	Huși
<b>VRANCEA</b>	Focșani
	Adjud
	Marășesti
	Odobesti
	Panciu
<b>GALAȚI</b>	Galați

*Source: processing data by the authors*

Counting the number of hits the site could be considered feedback from the public. For this purpose it's considered that the greater the number of hits, the higher quality of the offered services and the more citizens are satisfied with the information presented on the site.

It follows from Table 3.1 that City Halls / cities that have implemented counting the number of hits are the most interested in the quality of services and the importance that people attach to the information presented on those sites. You can also track the increase or decrease in the number of visitors accessing the website depending on the importance and utility of the services, posted information, and thus identify which are the necessities and preferences of citizens.

**c. Conducting surveys on the website**

In the public sector as well as in the private sector, market research is needed to identify which are the needs of citizens, their shortcomings, desires, and what you can improve, in order for the public organization to use the adequate tools to provide high quality services to society with professionalism and perseverance.

In the case of public organizations, marketing research helps the manager understand the external and internal context of the organization on order to identify the strong suits, the weaknesses, the opportunities and the threats, as well as to evaluate and develop viable alternatives for the citizens. In other words, marketing research leads to a better understanding of the environment, for the purpose of making better decisions from an economic, political and social standpoint (Olay, 2003: 7) .

According to the analysis of official websites of City Halls in Moldova's urban area it was concluded that of the 50 City Halls that have an official website, only 6 implemented online surveys.

**Table 3.2 Municipalities that have done surveys on the site**

County	City / Municipality
<b>BACĂU</b>	Bacău
	Moinești
	Comanești
<b>NEAMȚ</b>	Piatra Neamț
<b>VASLUI</b>	Negrești
<b>GALAȚI</b>	Galați

*Source: processing data by the authors*

Of these, the most useful surveys were applied by the Galati City Hall. They had 5 surveys on different local affairs:



**Figure 3.7 Surveys conducted by the Galati City Hall**

Source: <http://www.primaria.galati.ro/portal/voteaza.php?pollid=5>

They promote and involve citizens in decision-making, aiming for public services in line with their wishes, needs and views, while promoting increased communication. Performing activities in accordance with the wishes of citizens means they will be happy, satisfied and have a real opportunity to change the city as they wish, achieving high transparency.

The websites for the municipalities of Bacau, Moinesti and Piatra Neamt conducted surveys on public opinion about the current site, which means that they are interested in citizen feedback and willing to create a site that is useful to both the entire population in the area, and people in other areas, granting everyone the right to participate in these surveys.

The City Hall of Negresti (Vaslui county) asked the question “*Do you think changing the current mayor would benefit the city of Negresti?*” and the City Hall of Comănești (Bacau county) asked “*If there were a conference for the purpose of informing citizens about our urgent priorities at this point in time in Comanesti, which of the following approaches would persuade you to participate*”.



**Figure 3.8 Classification of municipalities according to the rating given on creating online surveys**

Source: processing data by the authors

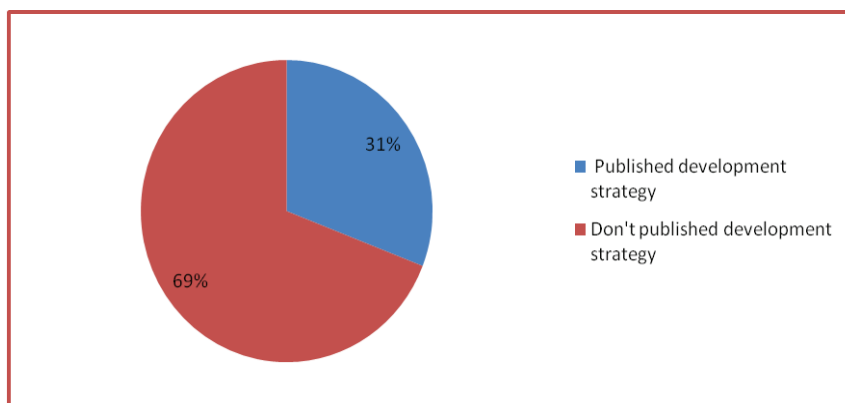
It follows that in the implementation of surveys a single municipality was rated *very well* (according to Appendix 3), namely Galați City Hall. It was interested in the wishes of citizens in various areas and it tries to grant them in a satisfactory manner. The analysis carried out on the sites pointed out that municipalities that have implemented such surveys have sites that have received *good* and *very good* marks.

Marketing research for government needs to retrieve information from citizens and their reaction to the public services. Preparation, implementation and evaluation of

marketing strategies in a public organization should be based on accurate information, on the exact knowledge of the realities, phenomena and processes in society as a whole.

**d. The existence of local development strategies on the website**

After analyzing the sites of urban municipalities of Moldova it was found that of the 50 municipalities that have official website, 17 have published local development strategy.



**Figure 3.9 Rates for publication on the website of the local development strategy**

*Source: processing data by the authors*

As such, only 31% of municipalities (urban area of Moldova) communicate to the people what they want to achieve in a certain period of time and subject their plans to a public debate in order to identify the needs and wishes of citizens and later to integrate that into the strategy.

**Table 3.3 Municipalities and cities that published their development strategy on the website**

County	City / Municipality
<b>BACĂU</b>	Moinești
	Onești
	Comanești
	Târgu Ocna
<b>BOTOȘANI</b>	Dorohoi
<b>IAȘI</b>	Iași
<b>NEAMȚ</b>	Piatra Neamț
	Roman
	Roznov
	Târgu Neamț
<b>SUCEAVA</b>	Fălticeni
	Gura Humorului
<b>VASLUI</b>	Bârlad
	Huși

<b>VRANCEA</b>	Adjud
	Mărășești
<b>GALAȚI</b>	Galați

Source: processing data by the authors

The table above shows the cities and towns that published the development strategies. They were analyzed and were marked according to Appendix 4.

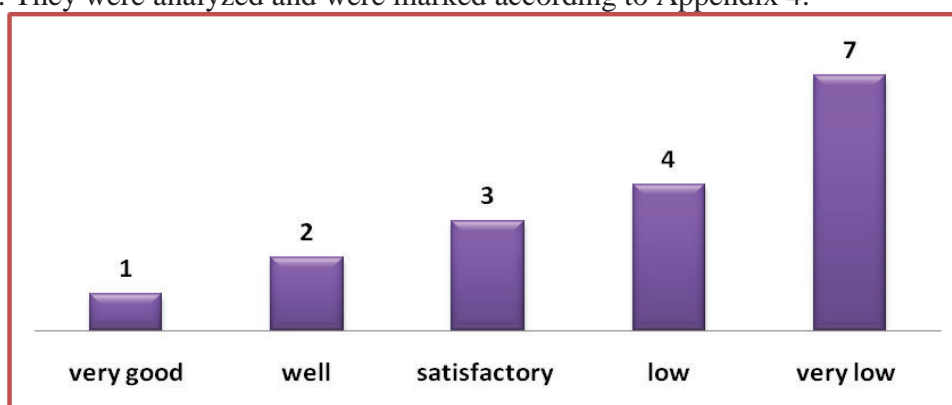


Figure 3.10 Classification of municipalities according to the rating given to local development strategies

Source: processing data by the authors

It follows from the above figure that most of the urban area of municipalities in the urban area of Moldova evaluated as *very bad*, meaning they only published the local development strategy, but they don't contain marketing issues. However, they accomplished a first marketing activity, namely informing citizens about development strategy.

According to Figure 3.10 and the emphasis on marketing in these development strategies, a classification of the official websites of municipalities in urban areas of Moldova was made.

Table 3.11 Classification of municipalities according to the contents of their development strategy

Rankings	City / Municipality
1	Galați (Galați County)
2	Piatra Neamț (Neamț County)
3	Iași (Iași County)
4	Gura Humorului (Suceava County)
5	Onești (Bacău County)

Source: processing data by the authors

From the table above we can see that the development strategy of the *Galați City Hall* is in first place, being the only one that was rated *very good* on account of the fact

that it contains marketing issues, placing a greater emphasis on targeting public services at citizens' satisfaction (this is accomplished through marketing research and informing the citizens of the implementation of public services etc.). In addition they provide: the transparency of decision-making and expenditure of public funds through public information on planning costs and city planning regulations, the improvement the public image of the City Hall by providing quality public services consistent with the requirements of citizens, the conservation and enhancement of cultural heritage and tourism by developing a marketing strategy for the city.

As such, the Municipality of Galati pays attention to service quality and improving services, promoting a positive image, ensuring a high transparency and developing and implementing a marketing strategy, being the only municipality in the subject analysis which takes into account the implementation of a marketing strategy.

*Piatra Neamt City Hall* ranks second in terms of the contents of the local development strategy. At first, this strategy was subject to public debate through a questionnaire, identifying the desires, needs and shortcomings of citizens, in other words they accomplished what specialized literature calls marketing research.

As a benchmark they proposed a modern local government based on satisfying the needs of citizens, which is achieved using marketing research and the creation of information points at the local government level.

Regarding the local development strategy of *Iasi City Hall*, it ranks third because some aspects of marketing are covered. It aims to create a favourable image for Iasi, creating a knowledge-based industry, the use of tourism potential, all of which are achieved through European projects and through careful promotion. A representative marketing aspect is the implementation of promotional activities to become a major service centre for the region.

*Gura Humorului City Hall* ranks fourth. Their city development strategy puts more emphasis on tourism, thus they propose campaigns to promote and inform the public of investment opportunities in the area. It also promotes environmental protection in order to attract tourists. Marketing activities envisaged under this scenario are promotion and advertising campaigns.

The fifth is *Onesti City Hall* because the local development strategy addresses marketing issues but to a lesser extent, from the outset stated that city development is not only a problem of the local authority, it is about the willingness and ability of citizens to be actively involved.

The development of local government is the goal, first of all through improving the image of the city hall through surveys on the degree of population satisfaction when it comes to local government. As such, the emphasis is on offered services, service improvement according to the needs and desires of citizens, at the same time conducting marketing research and taking into account the marketing mix (product/service, price, distribution and advertising).

***e. The existence of a public marketing department in the organizational structure***

Looking at all the sites and thus at the organizational structure it was found that of the 50 municipalities that have an official website, 12 do not have an organizational

structure published on their website and none have a public marketing department in the structure.

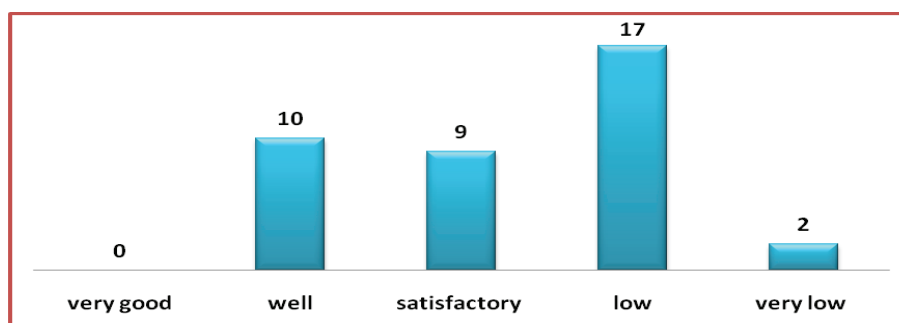
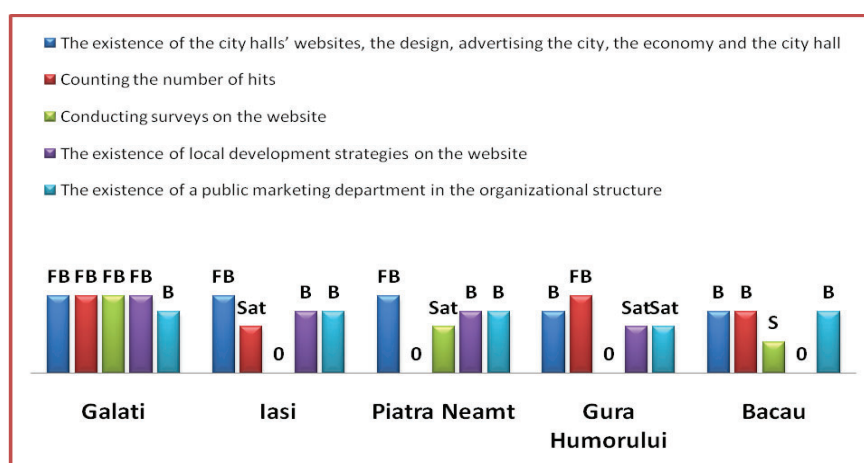


Figure 3.12 Classification of municipalities according to the rating given for the organizational structure

Source: processing data by the authors

It follows from the above figure that most municipalities were rated *bad* (cf. Appendix 5), meaning that they have published a scanned organization chart in which they present the main departments, offices and services without relevant details. Organization charts did not get a *very good* rating because they do not have a marketing department in their organizational structure. A positive aspect is that a large number of charts were evaluated as *good* and *satisfactory*, which means that local authority pays some attention to public marketing and its usefulness in the institutions.

According to research conducted on the official websites of municipalities in urban areas of Moldova, they have websites but some are made so as to provide quality services to citizens and also to create a favourable image showing public services, how to use the online services, they include a promotion section where some private sector companies from the town in question are promoted, the local development strategies, counting the number of hits etc.. The best five sites in the urban area of Moldova are presented according to the marks they received for each element analyzed on the official website. Their classification is shown in the figure below:





**Figure 3.13 Ranking of the five municipalities based on the marks they obtained**

*Source: processing data by the authors*

According to the figure above the first is Galați City Hall's website. As specified in the first part of the research, it has a nice design, offering a wide range of information related to the city, to the public institution and to businesses in the area.

It presents all aspects the research focused on: it has a website, it implemented counting the number of visits, it conducts polls on various topics, and there is a local development strategy that contains important aspects of marketing. As such, the Municipality of Galati covers all four marketing tools: product / service, price, distribution and promotion (public information) and it received the highest number of *very good* ratings.

This is followed by the websites of Iasi, Piatra Neamt, Bacau and Gura Humorului, which also have useful information for citizens, but it focuses to a lesser extent on marketing activities compared to Galati.

**Table 3.5 Top websites of the municipalities involved in the research**

Rankings	City / Municipality
1	Galați (Galați County)
2	Iași (Iași County)
3	Piatra Neamț (Neamț County)
4	Gura Humorului (Suceava County)
5	Bacău (Bacău County)

*Source: processing data by the authors*

On the other hand the vast majority of sites are made only because they are required to have a website. They contain little information, contain no online services, they do not present the city hall departments, the daily schedule, public documents, etc. In other words they do not "sell" themselves appropriately, they don't promote themselves or provide public services that citizens need. In this regard a classification was made of the worst five sites belonging to the municipalities under investigation. The municipalities that only have a blog or don't have a site at all were not taken into account.

**Table 3.6 Inferior websites belonging to the City Halls involved in the research**

Rankings	City / Municipality
1	Darabani (Botoșani County)
2	Solca (Suceava County)
3	Buhuși ( Bacău County)
4	Murgeni (Vaslui County)
5	Slănic Moldova ( Bacău County)

*Source: processing data by the authors*

The Darabani City Hall website is in first place because it does not present primarily useful information for citizens; there don't have an organizational structure of

the City Hall, the name of the mayor, a way to contact the City Hall, services, departments, etc. It covers only a few aspects of the law, general data and nothing specific to Darabani City Hall. They do not promote themselves and do not implement public marketing in their activities.

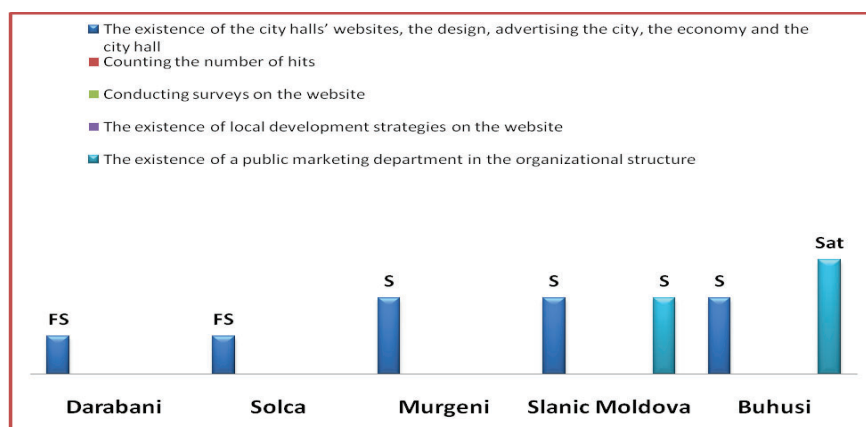


Figura 3.14 Classification of last five City Halls based on marks obtained  
Source: processing data by the authors

The above figure tells us that Darabani Town Hall (Botosani County), is classed on first place of lower level town halls top, analyzed according to the criteria of design (but very poorly), followed by Solca Town Hall (Suceava County), which obtained the same ratings, on third place there is Murgeni Town Hall (Vaslui County), this one presenting a more attractive design than the other two, and promoting in a smaller proportion of the town, Slanic Moldova Town Hall (Bacau County), which, even it is a resort, it does not promote tourism and the city at a quality level, does not have publish the developing strategy and the most important, does not present the main landmarks, making it to the forth place in lower level town halls top, followed by Buhusi Town Hall (Bacau County), that has both the local published developing strategy and some of the marketing aspects (like promoting public services).

### 3.6 Research conclusions

#### 3.6.1 Validating / invalidating research assumptions

After analyzing and interpreting the data from this research, the first hypothesis formulated above is confirmed, namely that marketing in public organization is a concept, a way of thinking, an orientation that is designed to meet the needs of citizens and to improve the image of public administration, the more it is used in the public sector, the higher performance of public authorities and citizens' satisfaction and also a high efficiency socio – economic there it.

Also, the assumption that public administrative does not correctly understand the “marketing” term, because it is always associated with advertising, is confirmed, meaning

that most sites presents some information on free public institution without focusing on offered product / service, the way that those are being distributed, and most importantly on the needs of citizens, seeing only a marketing tool to promote, actually presenting information, as appearing from the research conducted.

Another assumption made previously and confirmed is that government marketing research is a systematic process that leads ultimately to the prior knowledge of the market. Here may be mentioned first surveys on the internet in order to find out the needs, wishes and views of citizens as well as the measuring existence of the number of visits required to give public authorities an indirect feedback on the information presented on the site.

The assumption on the fact that in the content of the town halls organizational charts there is a public marketing organizational structure was invalidated because according to analyzing municipality organizational charts for the towns of Moldova, was found that neither a municipality of 50 who has a site, has no public marketing department in their organizational structure.

Reported to literature, the results reinforce the base idea, from which was started, namely that marketing is an instrument influencing and leading to citizen satisfaction. Therefore, in the future, it is important that each public institution to pay more attention to marketing activities and implementing a marketing strategy in line with citizens' needs to respond favourably to the wishes and problems concerning them.

Thus, public administration must turn its attention and focus more on public marketing strategies and how to implement them.

### **3.6.2 Premises of future research**

In the future, it is important for every public organization to pay a lot more attention to the marketing side, because to effectively meet citizens' needs, it is useful a continuously market research, identifying their needs, offering better services and all the same, creating a favourable image of public administration. Thus, public administration has to focus their attention more on citizens and society as a whole.

Highlighting the importance of the perception of civil servants in the town hall marketing strategy, specifically what are the benefits, what are the marketing activities etc. could be a future research.

## **4. CONCLUSIONS AND RECOMMENDATIONS**

The existence of a large number of issues which should be resolved in the public organizations and which can't be solved efficiently and operatively, requires the establishment of some marketing departments or externalization it, because in this way the costs would be much lower and avoids political influence.

Adaptation to the marketing environment and its active influence requires that the politic authority to develop a marketing policy according to market requirements. Such a policy is expressed by formulating a set of strategic goals, appropriate strategies and a set of tactics (specific measures) under an interdependent relation (Olteanu, Cetina, 1994: 71).

For this purpose every public organization should develop a marketing plan that includes internal and external environment analyzing, setting goals, monitoring the implementation, identification and description of activities/sub-activities, establishing the budget and of course controlling and evaluating of it. Thus, designing this plan, organizations will be able to identify the needs and grievances of citizens, and so may support them.

Another proposal with a positive impact on public organizations is the implementation of a public marketing legislation which containing certain rules that should be respected by the public sector as a whole.

At the same time, another important aspect of public marketing perspective is the promotion of public institutions and creating a positive image in the society in general and for the citizens in particular. For this purpose it should be introduced public marketing as a discipline of study for students of public administration. Another proposal that has been made in specialized literature and that we sustain is to make students associations, eventually students of public administration and marketing, thus constituting "public promoters", they having the role to promote a good image of the public sector.

To be always closer to the citizen and his needs the public organizations must be on the internet, must be transparent about their activities and must achieve what in specialized literature is called online marketing, to respond promptly and efficiently to citizens' requirements including the required information through an e-mail posted on the site.

Public marketing strategy should not be seen only as a modern form of promotion of the public institution and by creating a random site because they are required according to standards set by the European Union, should be considered all others instruments like product (passports, public transport etc.), price and placement, in other words the marketing mix.

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### Appendix 1

The Scale used to evaluate the *existence of city halls websites, design, city promotion, local companies and city halls*:

Qualifying	Description
<b>Very Good (FB)</b>	<ul style="list-style-type: none"> <li>→ websites made in advanced technology;</li> <li>→ pages are well structured;</li> <li>→ loading speed is high;</li> <li>→ navigation is easy;</li> <li>→ information about the city and promoting companies in the area are very rich;</li> <li>→ information are up to date and easy to find.</li> </ul>
<b>Well (B)</b>	<ul style="list-style-type: none"> <li>→ colours used are consistent with the emblem of the city;</li> <li>→ presented data on the city's economy;</li> <li>→ companies in the area are promoted;</li> <li>→ information is easily accessible.</li> </ul>
<b>Satisfactory (Sat)</b>	<ul style="list-style-type: none"> <li>→ website page loaded;</li> <li>→ menus with many subcategories;</li> <li>→ promote the city and the local economy but there are data deficient.</li> </ul>
<b>Low (S)</b>	<ul style="list-style-type: none"> <li>→ no dynamic website;</li> </ul>

- design is accomplished in the manner least professional;
- structure of the pages is deficient;
- promote the city and the local economy lacks;
- information is not clear and timely.

<b>Very Low (FS)</b>	<ul style="list-style-type: none"> <li>→ design is too simple;</li> <li>→ very poor navigation;</li> <li>→ contact information on missing;</li> <li>→ not promote the city, the local economy, the city as a whole.</li> </ul>
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Source: the authors

### Appendix 2

The Scale used to *evaluate the counting number of hits*

Qualifying	Description
<b>Very Good (FB)</b>	<ul style="list-style-type: none"> <li>→ the total visitors;</li> <li>→ presents visitors per day, per month, the current week, current month;</li> <li>→ the number of visitors online;</li> <li>→ presents the chart hits for a certain period;</li> <li>→ possible comparisons between two sites in terms of the number of hits.</li> </ul>
<b>Well (B)</b>	<ul style="list-style-type: none"> <li>→ the total number of hits;</li> <li>→ presents the view page;</li> <li>→ the chart hits situation.</li> </ul>
<b>Satisfactory (Sat)</b>	<ul style="list-style-type: none"> <li>→ the number of page hits;</li> <li>→ not the number of visitors online;</li> <li>→ a brief history of visits.</li> </ul>
<b>Low (S)</b>	<ul style="list-style-type: none"> <li>→ only the number of visitors "you are visitor number xyz";</li> <li>→ no history of visits;</li> <li>→ does not show the number of visitors online.</li> </ul>
<b>Very Low (FS)</b>	<ul style="list-style-type: none"> <li>→ presents only a number without specifying what is mentioned only "statistics".</li> </ul>

Source: the authors

### Appendix 3

The Scale used to *evaluate the online surveys on site:*

Qualifying	Description
<b>Very Good (FB)</b>	<ul style="list-style-type: none"> <li>→ the surveys for different problems and different fields of activity;</li> <li>→ the survey for feedback on the site;</li> <li>→ the statistics (results) without having to vote in advance;</li> <li>→ can be visualized all questionnaires.</li> </ul>
<b>Well (B)</b>	<ul style="list-style-type: none"> <li>→ the opinion surveys for an issue, area of activity;</li> <li>→ presents feedback survey about the site ;</li> <li>→ shows statistics (results) only after vote;</li> <li>→ can be visualized all the questionnaires;</li> </ul>
<b>Satisfactory (Sat)</b>	<ul style="list-style-type: none"> <li>→ shows survey to a particular field of activity;</li> <li>→ shows statistics, the results;</li> <li>→ can be visualized all questionnaires, but only after the vote.</li> </ul>

<b>Low (S)</b>	→ shows survey only feedback regarding site; → shows statistics, results only after voting.
<b>Very Low (FS)</b>	→ shows only site feedback survey

Source: the authors

#### Appendix 4

The Scale used to *evaluate the existence of local development strategies and marketing importance:*

<b>Qualifying</b>	<b>Description</b>
<b>Very Good (FB)</b>	→ has published local development strategy → shows relevant marketing issues; → includes developing and implementing a marketing strategy; → include the marketing research.
<b>Well (B)</b>	→ has published local development strategy; → shows marketing aspects; → strategy has been subject to public debate; → has conducted a survey among citizens on development strategy.
<b>Satisfactory (Sat)</b>	→ has published local development strategy; → contains marketing aspects about the image of the village / town hall; → promotes public service.
<b>Low (S)</b>	→ has published local development strategy; → shows marketing aspects related to promotion and advertising.
<b>Very Low (FS)</b>	→ has published local development strategy.

Source: the authors

#### Appendix 5

The Scale used to *evaluate the existence of a public marketing department in organization charts (organizational structure):*

<b>Qualifying</b>	<b>Description</b>
<b>Very Good (FB)</b>	→ organizational chart has published; → is a dynamic organization; → includes offices / departments detailed; → have in its organizational chart a public department of marketing.
<b>Well (B)</b>	→ organizational chart has published; → has an interactive organizational chart and relevant information; → includes offices, departments and sub categories with explanations.
<b>Satisfactory (Sat)</b>	→ organizational chart has published; → organizational chart is scanned; → provides information on types of main departments.
<b>Low (S)</b>	→ organizational chart has published; → have an organization chart listed scanned departments.
<b>Very Low (FS)</b>	→ organizational chart has scanned.

Source: the authors



## EUROPE OF OR WITH REGIONS: REGIONALISM IN ROMANIA

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***Abstract:** The scope of this paper is to examine Romania in the larger context of the Council of Europe and EU regional, trans-frontier and cross-border cooperation. The research will be divided into three main parts: it will begin from the national level and will then expand into the Council of Europe and EU levels. The paper will dive into issues of local structure, financial and administrative powers, controversies and cooperation projects. The conclusions will attempt to draw a comparison – in terms of attributes, structures and goals – between the two systems and to depict the image of Romania’s failures and successes.*

***Keywords:** Romania, regionalism, cross-border and trans-frontier cooperation, Council of Europe, the EU*

### 1. NATIONAL LEVEL

Romania became a member of the Council of Europe (hereinafter CoE) on 7 October 1993 and ratified the European Charter of Local Self Government (hereinafter ECLSG) on 28 January 1998. This came into force on 1 May 1998. Romania made a reservation regarding article 7 paragraph 2 and an interpretative declaration regarding article 4 paragraphs 4 and 5 of the Charter, the latter one concerning the notion of “region”. In accordance with the existing law, communes, towns and municipalities fall under the ECLSG and the counties are to be equated with “regions”.

This section will investigate the regional administration and distribution of power in Romania, resorting to domestic law, but also to the basic framework provided by the CoE. It will deliberately not take into consideration the prospective territorial re-organization of Romania.

### 2. THE 6<sup>TH</sup> GENERAL REPORT

The 6<sup>th</sup> General Report on the implementation of the ECLSG is illustrative in the sense that it reflects the difficulties of monitoring a large number of states having various and distinct local and regional structures. Just to mention a few:

- the parliamentary legislation differs, some countries having an upper house (such as Romania);
- the means through which local authorities are consulted varies. It might be through national associations (Germany, Austria) or even directly. All local authorities may be consulted directly or just those affected;

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