

BRATISLAVA INTERNATIONAL SCHOOL OF LIBERAL ARTS

**The Non-Transparent Missteps of the Transparent City:
The Case Study of the City of Martin**

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Declaration of Originality

I hereby declare that his bachelor thesis is the work of my own and has not been published in part on in whole elsewhere. All used literature and other sources are attributed and cited in references.

Bratislava, February 15, 2019

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The Non-transparent Missteps of the Transparent City

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Abstract

Transparency is an integral component of a democratically governed society and its institutions today. Despite of the desirable effects that can be attained by upholding to the transparent policies within the public administration's performance, the practices of reality show that the presence of transparency does not exclusively nor directly improve the level of the well-functioning of one's public administration. Although, transparency, as a means of public administration, might largely contribute to its improvement, progress and innovations, its role and importance is being undermined. The Slovak local self-governments increasingly face significant difficulties and critiques due to their performance. Despite of the numerous ongoing programs and projects aimed towards anti-corruptive and transparent administrations, a significant number of the local self-governments do not function properly and have to confront a distrust and scepticisms of their citizens. The demands for transparency in public administrations are on rise, however, the level of corruption persists, if not deepens. Considerable scope of the local self-government's competences is found on the public

finances which essentially contribute to the self-government's budget. Public procurement process serves as a means for public purchasing and is supposed to be an effective measure for providing a transparent, fair, efficient, and economic treatment with the public finances. The basic presumption is, that it is in the interest of all the involved and concerned parties to lead a fair, transparent and advantageous steps of the process. This thesis therefore focuses on the several accompanying aspects and questions that arise in this discussion. What is the role of the "transparency" in the well-functioning of the local self-government? More specifically, how and what can transparency secure within the public procurement process? The fact is that if the public administration does not function properly at the low local levels, then it will hardly function on the national level. This thesis is intended to relieve the non-transparent practices in the city of Martin while focusing on the public finances management. By observing particular case of public procurement, using measurement model, relevant data and information, it will try to point out the essence of the persistent problem in the public administration of the city of Martin and it will consequently provide implications in form of qualitative and operational measures.

Netransparentné prešľapy transparentného mesta

Názov: Netransparentné prešľapy Transparentného mesta: Prípadová štúdia mesta Martin

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Kľúčové slová: transparentnosť, verejná správa, otvorené vládnutie, dobré spravovanie vecí verejných, miestna samospráva, verejné financie, verejné obstarávanie, Martin

Abstrakt

Transparentnosť je neoddeliteľnou súčasťou demokraticky riadenej spoločnosti a jej inštitúcií. Napriek žiaducim efektom, ktoré možno dosiahnuť presadzovaním transparentných politík v rámci výkonu verejnej správy, realita v praxi ukazuje, že prítomnosť transparentnosti nemusí priamo prispievať k zlepšeniu úrovne dobre fungujúcej verejnej správy. Hoci transparentnosť, ako prostriedok riadenia verejnej správy, môže vo veľkej miere prispieť k jej zlepšeniu, pokroku a inováciám, jej úloha a význam môže byť takisto spochybnená a oslabená. Slovenské miestne samosprávy sa čoraz viac stretávajú so značnými ťažkosťami a kritikami kvôli ich výkonnosti. Napriek mnohým prebiehajúcim programom a projektom zameraných na protikorupčné a transparentné riadenie verejných správ, existuje značný počet miestnych samospráv, ktoré nefungujú správne a preto čelia nedôvere a skepticizmu svojich občanov. Hoci požiadavky, nároky a relevantnosť transparentnosti ako taká čoraz viacej vzrastá, úroveň korupcie stále pretrváva, ak sa dokonca neprehľbuje.

Značný rozsah kompetencií miestnej samosprávy vyplýva a je závislý na verejných financiách, ktoré v značnej podstate prispievajú k rozpočtu samosprávy. Proces verejného obstarávania slúži ako prostriedok verejného obstarávania a má byť účinným opatrením na zabezpečenie transparentného, spravodlivého, efektívneho a ekonomického zaobchádzania s verejnými financiami. Základným predpokladom je, že je v záujme všetkých zúčastnených a zainteresovaných strán viesť spravodlivé, transparentné a efektívne kroky tohto procesu. Táto bakalárska práca sa preto zameriava na niekoľko sprievodných aspektov a otázok, ktoré sa objavujú v súvislosti s touto témou. Aká je úloha „transparentnosti“ v dobre fungujúcej miestnej samospráve? Presnejšie, ako a čo môže transparentnosť zabezpečiť v procese verejného obstarávania? Faktom je, že ak verejná správa nefunguje správne na nízkej miestnej úrovni, je nepravdepodobné, že bude efektívne fungovať na národnej úrovni. Cieľom tejto práce je pozorovať netransparentné praktiky v meste Martin so zameraním na riadenie verejných financií. Sledovaním konkrétneho prípadu verejného obstarávania, s využitím modelu merania, relevantných údajov a informácií sa budem snažiť poukázať na podstatu pretrvávajúceho problému vo verejnej správe mesta Martin a následne poskytnúť implikácie vo forme kvalitatívnych a operatívnych opatrení.

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Table of contents

Declaration of Originality	ii
Abstract	iii
Abstrakt	v
Acknowledgments	vii
Table of contents	8
Introduction	10
Putting Down the Roots	10
Literature Review	12
Why Democracy?	12
Democratization in relation to Public Administration	13
Democratic Roles of Public Administration	14
Transition from Classic Public Administration Theory towards the New Public Management	16
Good Governance	17
Open Government	19
Local self-governments	20
Public Finances and Public Procurement	21
Corruption	22
Methodology	25
The Case Study	28
“The Transparent City”	28
Gathering the Data	29
The Transparent Public Procurement Procedure	32
How should it work?	32
How do we evaluate?	33
What was the reality?	35
Challenges instead of conclusions	39
List of references	40

Resume42

Introduction

Putting Down the Roots

In 2011, the city of Martin, Slovakia, won the United Nation Public Service Award in the category “Prevention and fight against corruption” with a project known as “The Transparent City”. This award is one of the most prestigious international recognitions for public service. Although this project presents a package of anti-corruption measures stemming from transparency policies, the practices of city council and others involved reflect a different reality. It would seem that certain practices, such as the apparent exclusion of citizens from City Council assemblies, conflicts of interests in procurement procedures, special administration (“nútená správa”), and nepotism, are all in conflict with supposedly guaranteed transparency policies. However, the research proves that in many cases, the mentioned trends are not in conflict with the law or are difficult to prove despite their presence, which suggests that the laws relating to transparency in public administration are necessary but insufficient insofar, respectively a failure lies in the implementation rather than the rules themselves. Therefore the research aims to analyse a tangible and demonstrable presence of non-transparency and that is supposedly in the sphere of public finances management.

Non-transparent practices in the performance of public administration regarding the public finances management have in general twofold impact. First of all, they influence institutional performance as such. Non-transparent trends in the local public administration decrease the efficiency, competition, legality and accountability of institution’s performance and therefore should be in interest of policymakers and public servants, obviously only when upholding to democratic principles is at stake. What is more, when extending the logic of “Good Governance” even the local public administration builds institutional trust and legitimacy of national government.

Consequently this topic has a real impact on citizens’ lives. First of all, the concept of transparency itself applies to the public. In particular, transparency serves as a means of interactions between citizens and institutions of public administration. Transparency at any stage of the public administration processes affects the position of the citizen. Thus, it can contribute either to beneficial situation by facilitating the

position of a citizen in any process, and also the consequences associated with this process; or on the contrary, when there is a lack of transparency in any administrative process it can have negative effects and it makes the position of citizen difficult in any action. In this manner, there is not only the institutional character of the impact of transparency, but there can be observed reflected personal relationship in this phenomenon. This relation is intensified even more when the concept of transparency is narrowed down and applied to a specific aspect of public administration's tasks which is public finances management.

Literature Review

Why Democracy?

In view of this research, it is important to take into account the conditions of the political system in which the given phenomenon of the thesis' observation is being demonstrated. It is a democratically organized state. To define the basic principles of a democratic arrangement, I turned to the theories of R. A. Dahl.

Robert Dahl emphasized a condition of being politically equal members within the democratically governed association. Dahl suggested five important standards that have to be exclusively met for reaching the condition of politically equal members in the democratically governed association. They are - effective participation, voting equality, gaining enlightened understanding, exercising control of the agenda and inclusion of adults. Consequently these five primary standards have to be followed by establishing certain political practices and institutions. There must necessarily be certain political institutions for making modern democracy work. Dahl summarized them into six categories including the following:

1. Elected officials.
2. Free, fair, and frequent elections.
3. Freedom of expression.
4. Access to alternative sources of information.
5. Associational autonomy.
6. Inclusive citizenship.

(Dahl, 1998)

These are now supposed to be settled institutions that were formed from the originally established arrangements for sustaining the transition from undemocratic regime to democratic one. However, it is important to realize that their stability is not unambiguous.

According to one of the most seminal thinkers, Robert Putnam, democratic transition or development and stability of democracy can be generally influenced by three

possible groups of factors – socioeconomic, sociocultural factors and factors of institutional design.

Robert Putnam, in his major work *Making Democracy Work*, has stressed the relationship between (economic) modernity and institutional performance. According to this school of thought, socioeconomic factors determine the performance of democratic institutions. Not only R. Putnam but R. A. Dahl or S. M. Lipset have all accentuated relevance of modernization and its numerous aspects such as wealth or education that shape the institutional performance.

The desirability of democracy rests upon numerous advantages that can be sustained by this form of government in comparison to others. They are for instance a provision of essential rights and protection of essential personal interests, human development, prosperity or peace-seeking and others.

Democratization in relation to Public Administration

Democratization processes in Slovak Republic present an integral part of theoretical approach of this study. The reason for this is a tight interconnection between the concept of transparency and the desired goals of democratization and important transition of Public Administration Theory to the new Public Management Theory.

The beginning of democratization in 1990s in Slovakia has brought new expectations of citizens for freedom, justice, welfare and order in their lives. This transition was supposed to happen (not exclusively) also by the means of new particular institutions in the realm of public administration. Aiming towards the plural democratic system required significant changes in the crucial fields of socio-economic and political life in Slovakia. Oľga Plávková, in her work “Democratization processes in Slovakia after 1989 in the expectations of the citizens” (*Demokratizačný proces na Slovensku po roku 1989 v očakávaní verejnosti*) reduces these necessary changes into particular areas from which these following are relevant for this study in terms of transparency. First, forming of institutions and mechanisms capable of revitalizing traditional democratic values, for citizens have to fully trust institutions and their capability of resolving their problems. This aspect is generally believed to be more effective as far as there is an efficient level of transparency. Second, concerning the economic sphere of citizens’ life, there have to be adequate conditions for market economy based on a free fair competition. Third, each factor of public and personal life of citizens have to

be deprived of any forms of discrimination and social exclusion. The situation evidently shows even nowadays that discrimination or exclusion might be caused by the deficiency of transparency policies. Fourth, to involve the public in any democratic and democratization processes as much as possible. Regarding this notion, it is important to remember that the accompanying and actually inevitable phenomenon of democratization processes is the “silent revolution” within the individual. By referring to this process, one can understand the shift of our own values. While Ronald Inglehart for instance emphasized in his works the shift from the materialistic to post-materialistic values, in the post-communist countries, a shift that was needed was from the totalitarian values based on the elimination of individual and particular subjectivity, as Plávková points out.

The values demanded by the citizens, when inverted into an organizational or pragmatic framework, required that public administration was to be reformed in order to provide more transparent, more effective, more efficient, more productive, and more responsive services. Therefore public administration has been in a period of transition since 1990s. Until this year Slovakia had faced four decades of Communist regime. In theory, during this period a shift from the Classic Public Administration theory to the New Public Administration, (sometimes named the New Public Management) theory was expected. Following the objectives and goals of aimed reform holds relatively easy steps in theory. However, today’s reality suggests that the process of transition in practice has gone wrong at some point.

Democratic Roles of Public Administration

For the sake of this research it is important to mention desired advantages of democracy concerning public administration. The role of public administration in the democratic governance is undoubtedly integral. A prominent professor, B. G. Peters, in his book about Public Administration and Democracy has emphasized two major functions of public administration in democratic governance. First of all, he suggested important role of interfacing between the state and citizenry. Public administration handles a great interaction of citizens with the state on a daily basis. Significance of this notion lies in the fact that these daily interactions influence citizens’ opinions and attitudes towards the public sector and the role of the state in general. Experiences of impartial, legal and due interactions with the public administration’s institutions

support the institutional trust, which consequently reinforces the state's legitimacy. Therefore the quality of public administration services impacts how citizens value their government, both regional and national. The second major role of public administration in democratic governance concerns the scope and nature of its governing. In this respect Peters emphasizes the different roles of politicians and the public servants. Public service presents the preeminent structure for implementation of public policy and providing expert advices. It does not, or it should not follow the political consequences of policies it advocates. Another important democratic role of public administration relates to public participation with respect to having a means of shaping the decisions. Citizens' participation might be understood as any voluntary performance of citizen with an intention to influence decision making concerned with public affairs. The level of participation varies due to the extent of interaction and contained influence. Daily interactions with public services enable, almost direct, communication about any criticisms and thus create a space for improvements. What is more, as it has been already suggested, they influence citizens' perceptions about government and therefore might influence even a choice and affiliations toward certain political parties. The democratic principles are also reflected in progressively decentralized and multisectoral organization of administrations within the state. They enable institutional change that has a potential for strong regional governments' formation. To sum it up, public administration having a central role on fundamental public affairs builds the institutional trust and legitimacy of the government.

Although the majority of scholars uphold the traditional aspects of the public administration's quality such as accountability, responsiveness, legality, or due administrative processes, when they address the concept of institutional trust or when they just aim to measure the institutional performance, it would be a mistake to not pay attention to the very recent trend that shapes the public administration to a great extent and it is e-governance and e-participation. Meanwhile in the recent times, more and more governments initiate e-government systems that are supposed to advance the public services by ensuring greater participation and information exchange and by facilitating community development (Soonhee Kim, Jooho Lee, 2012). And the same scenario is happening in Slovakia. S. Kim and J. Lee in their research on e-governance and e-participation have examined the model of process of e-participation and came up with conclusions that e-participation has impact on e-participants' trust in governments. They involved five important factors that facilitate the impact of e-

governance on trust in the government. They were (1) Satisfaction with E-Participation Applications, (2) Satisfaction with Government Responsiveness, (3) E-Participants' Development, (4) Influence on Decision Making, (5) Assessment of Government Transparency. It has been researched that these five factors relate to each other, and either directly or indirectly influence the e-participants' trust in Government. Therefore when this logic is extended, it can be argued that efficient e-governance leads to consolidation of democratic values by building institutional trust while increasing legitimacy. And it can be applied on the regional decentralized level of public administration as well.

Transition from Classic Public Administration Theory towards the New Public Management

While the initial steps of the democratization processes within the public administration demanded more likely technical, structural and organizational transformations of the system, the contemporary attempts of the democratization processes that are still an ongoing process, in the public administration are expected to face new qualities, values and newly formed attitudes towards the public administration.

Although there has been a significant shift within the models of public administration towards the New Public Management theory, both theoretical and practical levels of observation imply a demand for newly framed and applied model that can reflect and react upon altering conditions within the public administration spheres. Many scholars have agreed that even the contemporary model of New Public Administration theory seems to be no longer consistent with the demands of today's governance. Despite of the recent discussions about the deficient democracies and far-reaching undesirable implications caused by this trend across the world, when talking about the public administration's defections, it is important to take into account the difference between the shortcomings of democracy on the one side, and those of the governance on the other, since there is not a definite link between these two (*Mungiu-Pippidi has pointed out this difference in terms of corruption problem in the EU, problem which is tightly connected to the public administration and self-governments – and this thesis most importantly*). This means that problems stemming from the public administration (e.g. corruption, the lack of accountability, etc.) might be expected to be handled by

improving governance principles because they are often present even in the democratically characterized environments. Nevertheless, it would be misleading to reject a possible relationship between these two. Especially in the case of public administration's models, in which some authors propose the third wave of its development and this is the so called "Co-existence model". The reason why it is useful to draw a link between these is a need to clarify the shift of the requirements demanded by the particular models.

New Public Management (NPM) has undoubtedly encouraged the rising demand for transparency accompanied by the need for the personal accountability. Driven by strengthen administrative responsiveness and economic efficiency of public administration, it was expected to be a key solution to persistently problematic rigidity of the previous approach towards the public administration. However, even this, supposedly innovative approach, has found its critics. Marginalization of ethical values, principles and essential foundations, all belong to the commonly-agreed-upon critiques. Intensive and well-run form of NPM has proved to undermine the essence of democratic governance in numerous cases. It places market-driven values such as profitability, competition or economy significantly over the society-centered values. It has been shown that too market-centered approach within the public administration of any self-government might cause serious harm rather than benefits. In this respect the public interest is prone to lose its prominence and the rules and principles of the Good Governance (GG) might be considerably undermined. Several authors even claim that NPM approach diminishes personal accountability and responsibility held towards the citizens. High-quality type of public administration is characterized by the following conditions: effectiveness, efficiency, openness, supportiveness, co-operation, reflectiveness, responsiveness, accountability.

Good Governance

For democracy to sustain its role and to attribute the desired qualities of a well-ordered society, it must operate in the realm of the Good Governance. Democracy as an ideal type of a governmental system does not provide the grounds for the manner in which and how a power is exercised. Democracy as a concept refers rather to the legitimacy of government. The concept of governance on the other side refers to the management of the governmental system. "Governance" as a concept, is subject to

many interpretations, nevertheless the one upheld by the majority suggests that it encompasses notions on how economic and social resources for development work and how the numerous institutions operate within this system. Although the concepts, *democracy* and *good governance*, appear to be distinct from each other, it is argued by many scholars that they are tightly interconnected and mutually supplementary, especially in practice. As it was stated by Dr Carlos Santiso, “neither democracy nor good governance is sustainable without the other” (Santiso, 2001). Throughout the past two decades, this concept has acquired a normative description as a concept, referring to the ideal model for developing countries - *good governance* and thus introducing and addressing the *quality* of the governance. This concept has at the same time gained both popularity and its critiques. While it has generally become a believed key instrument for development and strengthening of democracy, research and practice has proved this concept to be obscure in certain respect. Its practice gives a rise to many questions concerning effectiveness or applicability. Its main critiques rest primarily in its “one-best-way” character that might impose problems with respect to plurality of states’ development. Among others, Matt Andrews for instance complains about the lack of “effective underlying theoretical framework” and what is more, based on the profound observations he argues that it is likely that “the good governance picture of effective government is not only of limited use in development policy but also threatens to promote dangerous isomorphism, institutional dualism and “failing states”” (Andrews, 2008). Even though, despite of its possibly risky applicability and homogenous character, the requirements of good governance across the majority of nations keep to be the same and it can be argued that although the specific conditions desire specific instruments for implementation, the aims and goals are believed and expected to stay the same, since they prove to be the most ideal ones for general development. Supranational organizations such as the EU, The World Bank or IMF agree upon the recognition of the good governance as “a means of bringing about global social and economic reform” (Johnston, 2003). Irrespective of the variety of interpretations, as the authors of the publication “Public procurement: A pillar of good governance?” suggest there are particular keywords which appear repeatedly, specifically they are “transparency, participation, accountability, efficiency, effectiveness, ethics, equity and responsiveness” (Wendy Phillips, Nigel Caldwell, Guy Callender). These are the characteristics of the Good Governance. The researchers at the World Bank Institute, Kaufmann, Kraay and Zoido-Lobato, have

conceptualized and framed six particular proportions of Good Governance, that have served to be the indicators of its measurement. They are:

1. Voice and accountability
2. Government effectiveness
3. The lack of regulatory burden
4. The rule of law
5. Independence of the judiciary

Open Government

While the concept of Good Governance introduces a factor of quality into the realm of governance, it can be argued that the concept of Open Government offers the means and principles of the practical steps and thus is more close to the factor of reality. This policy concept like any other concept can be understood in many different ways, especially when applied internationally. Nevertheless, there is the most common agreement that this concept refers to “an all-embracing label for a more transparent, accessible and responsive governance system, where information moves freely both to and from government, through a multitude of channels” (Gavelin, Burall, Wilson, 2009). Such an environment within the public administration allows for a high level of responsiveness to the citizens’ needs. Regarding the value of open government, naturally there are both positive and negative accounts on the open government’s effects. Proponents of openness interpret this concept as a core element of modern democracy and some even as a basic human right. The most compelling advantages of governments’ openness are supposed to be effective decision making, more effective public services, controlled level of corruption, and citizens’ trust in government (OECD, 2005). Generally speaking the legislations, policies or institutions are able to support government’s openness. Concerning the state of arts in Slovakia, the Slovak Ministry of Interior defines the principles of Open Government as follows. There are four main principles, namely the transparency, civic participation, accountability and openness by the means of new technologies (OGP, 2017). These four indicators of the major concept, open government, appeal to the ideal 21st century democracy to which majority of political leaders aspire, at least supposedly. The very first condition, and actually precondition for any further steps,

is an access to information. The Universal Declaration of Human Rights recognises this one as a human right (UN General Assembly, 1948).

Local self-governments

Given the Slovak administrative framework, with respect to territorial division and administration, there are two main components of public administration in Slovak Republic. There is a state administration in the hands of the central government, and territorial self-government, whose agents are local self-governments and superior regional self-governments. The subject of this thesis' observation is the local self-government, for this reason it is important to clarify its role and importance.

Local self-government presents a democratic institution with its own geographic, demographic and financial base. It represents a significant step of the long and still-ongoing processes of decentralization processes and reforms of public administration in Slovakia since 1989, which are the matter of attention in other chapters. Self-government is expected to be managed independently of the state administration, although the state can intervene with respect to legislative or controlling function.

Concerning the administrative organization of the self-government, there are three most important branches. The first one is a representative body of self-government which takes a form of the municipal council. The second one is the executive body of the self-government, to which we refer as to the magistrate or the municipal office. The last but not least, is the top executive power which is represented by the mayor of the self-government, whose role is very important.

Local self-governments in Slovakia enjoy a relatively wide range of competences, which of course imply the same amount of responsibilities, but nevertheless, in particular ways this form of decentralization presents important step towards the better governance and life of citizens. Among the most important competences and function of self-governments, belong public finances management. It has to manage financial means entrusted to self-government by its citizens, therefore it should be in the very best interest of the self-government to manage the finances in the most appropriate manner.

Relation between the local self-government and the sphere of public finances rest not only on an administrative and organizational level as a necessary derivation of competences, but it can be observed also in terms of economic development.

Concerning the relationship between the local self-government and its economic development, there are various possibilities for local self-government of what position to take in relation to the local economic development. Practice shows that regarding the situation in Slovakia, the general framework conditions are set up by the central government, whereas the local self-governments can initiate and coordinate development activities while cooperating with the private sector. The local economic development has become to be significantly dependent on the active self-government participation in these matters after the turn of the 1980s and 1990s.

Public Finances and Public Procurement

Building upon the notions of democracy, public administration and good governance, it is now useful to pay attention to the concept of public procurement. All of these concepts clearly interrelate and for the sake of this thesis it is essential to clarify the role and importance of the public procurement as such. Public procurement refers to action of commissioning orders for goods delivery, orders for building operations completion, orders for offering service contracts and contests of proposals. According to the European Commission public procurement is “the process by which public authorities, such as government departments or local authorities, purchase work, goods or services from companies” (European Commission). The OECD refers to public procurement as to “the process of identifying what is needed; determining who the best person or organization is to supply this need; and ensuring what is needed is delivered to the right place, at the right time, for the best price and that all this is done in a fair and open manner” (OECD, 2015). As it is emphasized by the OECD “As public procurement accounts for a substantial portion of the taxpayers’ money, governments are expected to carry it out efficiently and with high standards of conduct in order to ensure high quality of service delivery and safeguard the public interest.” (OECD, 2015). Legally directed, public procurement is expected to fulfil the core principles designed for securing the “good use”. The core principles are “transparency, equal treatment, open competition, and sound procedural management” (European Commission). These principles have a potential for intensifying and improving the public confidence towards the process of public procurement. Public procurement held in this manner allows any outputs to be held accountable, in respect to all administrative, financial or technical aspects.

When the system of public procurement works effectively, governments are capable of undergoing social, environmental or economic reforms designed for developments of wide spectrum. Vice-versa, if the system poses deficiencies, government's performance is inclined to malpractice such as corruption or significant financial losses. The OECD emphasizes public procurement's significance in promoting strategic governance (OECD, 2015). Overall, it belongs to one of the most effective means for achieving pressing policy goals. The OECD Recommendation on Public Procurement highlights the "strategic and holistic use of public procurement" (OECD, 2015). Since the Recommendation sees the public procurement as a pillar of strategic governance, it takes into account also other elements of strategic governance. These are mainly budgeting and financial management.

For a successful implementation of the good public procurement process, good governance, maintaining effective, transparent, open, competitive, fair, accountable and indiscriminate conditions, is essential. These principles will enhance public confidence towards the process of public procurement, in which the outputs can be held accountable to the public for administrative, technical and financial aspects. And to do that, all the participants that are involved in the procurement process must comply with the formulated code of conduct (Jacob, 2014).

Corruption

An unprecedented power that is ascribed to democracy by its popularity within the broad public is being quite seriously challenged in the 21st century. However appealing democracy might be as a type of political system, numerous undesirable challenges that accompany its presence undoubtedly undermine its attractiveness, accountability, and effectiveness. One of the most notable factors that challenge the level of democracy is the phenomenon of corruption. There exist various classified forms of corruption among which institutional and political corruption pertain the aim of this research. For the sake of this research, primarily the public-office-centred definitions will be provided.

Seminal contributions within this perspective have been made by J. S. Nye, who defined corruption as follows: "Behaviour which deviates from the formal duties of a

public role because of private regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence. This includes such behaviour as bribery (use of reward to pervert the judgement of person in a position of trust); nepotism (bestowal of patronage by reason of ascriptive relationship rather than merit); and misappropriation (illegal appropriation of public resources for private-regarding uses).” (Nye, 1967).

Concerning the broader realm of political corruption, Inge Amundsen in his in-depth studies of this phenomenon, worked with the definition which indicates the similar. Political corruption occurs when there is the abuse of public power, while the personal wealth-seeking behaviour of the public authority is a crucial determinant (Amundsen, 1999).

Political corruption in the proposed view of Emanuela Ceva and Maria Paola Ferretti consists in “the abuse of entrusted power for the pursuit of a surreptitious agenda” (Emanuela Ceva, Maria Paola Ferretti, 2017). Surreptitious agenda applied in this context refers to the deficiency of publicity in the conduct of public officer, because of politically wrong actions that usually contradict the principles of impartiality or equality of opportunity.

Provided with the most common definitions of political corruption, it is also important to mention the difference between the so called “brand” and “petty” corruption. Strictly speaking, political corruption by definition refers only to the “high levels of political systems”. Public officers entitled for their function by the people misuse their power for sustaining their position, power and wealth and they are corrupt themselves. However, corruption can take places within the lower “levels” of state, in the public administration or “at the implementation end of politics” and this one is classified as a bureaucratic corruption, or so called “petty corruption” (Amundsen, 1999). Substantial notice for this research is the state-society relationship in terms of corruption that has been described by a great number of prominent authors in this field and can be observed from the provided alternative definitions of corruption as such. This observed tendency suggests that it is highly important to rely on the fact of state’s persistent involvement when working with the concept of corruption.

The second possible variation of corruption that is necessary for the scope of this research analysis is the institutional corruption. Ceva and Ferretti suggest that when adopting an institutionalist paradigm, corruption that exists in the institution is not conditioned by the factor of “individuals”. This means that an institution is corrupted in spite of its members are not. It negatively impacts the institution’s performance and thus degrades its general effectiveness. The deteriorated level of democracy by a corruption is then noticeable in the quality of institutions, which is in the case of this research the public administration in the city of Martin. An important question associated with the political corruption aims to address the difference between wrongful behaviour of public official ‘de iure’ and civil disobedience in form of surreptitious action thus political misbehaviour.

Corruption phenomena is in the interest of this thesis mainly because its occurrence within the practices of the institution, such as the local self-government, which constitutes to be the major unit of analysis of this research, undermines its well-functioning. Transparency as a means of public administration is expected to ensure that both the institution and individuals act legally and ethically. Corruption at the local institutional level can be effectively encountered with the help of maximising the level of transparency. Open Government Partnership (OGP), an international initiative committed to securing more open, accountable and responsive governments, was able to design the new open government norms which proved to demonstrate the strengthen democracies thanks to the transparency, participation and institution’s accountability. The norms can especially successfully decrease the level of corruption on the one side, and on the other increase efficiency and improve the quality of public services.

Methodology

Although the phenomenon that is the subject of this research would evoke economic paradigm in oneself, this thesis has undertaken rather a political and sociological point of view. The objective of this work is among others to utilize the results of the surveys in the field conducted so far and to analyse them with the help of the relevant theories and available literature. Consequently by using the model constructed for the sake of this research to observe the presence of non-transparency in the selected case-study. Therefore, the initial step while conducting the thesis was the processing of the relevant theoretical backgrounds which had to be taken into consideration when examining the concept of transparency and its role. While using a deductive reasoning in providing a theoretical background, the thesis proceeded in exploration of the theories by using general-to-specific modelling. Important prerequisite that the thesis took for granted when researching the dependent variable, was the existence of democratic political regime in Slovakia and thus withstanding presence of a democratically organized institutions. Given that Slovakia is a post-communist country, the thesis had to take into account the theory of democratization processes in relation to public administration. Concerning the research conducted so far, the transition from the Classic Public Administration Theory towards the New Public Management could not be omitted, since it explains, defines and operationalizes the fundamental characteristics of the new form of public administration in the recent times. Further for transparency assessment the thesis considered the criteria of the Good Governance and Open Government. Given the scope of this work and its objectives, it was necessary to narrow the subject of interest down. The analysis of the official EU documents, the particular laws of the Slovak Republic and the local self-government's directives allowed us to link the theoretical insights with the requirements in practice. By identifying the area of transparency examined in this work as the area of the public finances management, we have examined the possible undesirable trends and therefore it was needed to elaborate also on the theories of a well-known phenomenon – corruption.

Having set the necessary theoretical basis, subsequently a secondary data analysis was needed. The quantitative data on the perception of transparency in the local self-

government resulting from the surveys of the Transparency International Slovakia played an important role for analysis.

Following this step, the purpose has shifted to the subject matter of the case study itself. Transparency, as a concept and a matter of observation as such covers and continuously extends its roles to increasingly greater number of aspects and competences of the local self-governments, the sphere of public finances management keeps its significant place and relation with this concept. Transparency in the public finances management is believed to be of the utmost priority of self-governments. To observe and define the level of transparency in even more general terms, the most reliable and tangible way is to address the issue of public finances. The level of transparency in the particular area of the financial management defines a substantial part of the overall transparency level in the local self-government. The dependent variable that is being examined in this research is the level of transparency in public finances management in the city of Martin. Transparency of the public finances management constitutes the dependent variable that was researched by using the designed model of measurement.

Accordingly, in order to design this model we had to purposely determine the set of the independent variables that were supposed to change and control the level of transparency. While setting up the indicators for measurement of the level of transparency in the sphere of public finances management of self-government, transparency was perceived as a potential means of self-government to provide the better and more democratic public administration. Criteria of this model were set up in accordance with the observed problems and the needs of the situation in the local self-government, so that they were the most appropriate to reflect the demands for solutions. Secondly, while utilizing the relevant literature sources of the given subject, research analysis of the numerous theoretical assumptions, served as an inspiration. Last but not least, attention was given also to the secondary data analysis that had indicated several persisting problems in the local self-government.

However, on account of the fact that the dependent variable (the level of transparency in the public finances management) portrayed still a large focus area given the scope of this work, we had to limit this area beyond. Therefore it has been further subdivided into two major subcategories that I see as a crucial elements in terms of transparency and importance. These subcategories, or indicators, which help to track the variable more reliably are the Public Procurement Procedures (1) and the

Budgeting of the Local Self-government (2). These categories also represent the most controversial issues that qualify as the ones out of the most corrupt issues.

While conducting this research, observation of administrative performance in the city of Martin has suggested that there have been several cases that involved non-transparent trends within the city's administration in various aspects, nevertheless this notion still lacks an adequate portion of attention of either current local political representatives, administration itself or public. In other words, although the recent surveys show that the state of transparency and quality of administration's performance in general is significantly decreasing, any steps are being undertaken and change is being postponed. This research aims to address this problem by collecting and summarizing all the relevant information and data. It will provide the readers with one specific case study in which the public finances management was corrupted and non-transparent.

The Case Study

“The Transparent City”

In 2008, July, the representatives of the city of Martin have decided to face the problem of corruption in the city's administration. This problem was noticed and addressed only after Andrej Hrnčiar was elected as a mayor of the city, in 2006. As the official website of the local self-government informs, Hrnčiar himself has met with the non-transparent practices within the administration which were targeted against his and those of the city council's decision-making processes. Therefore he yeomanly decided to look for the possible solutions and participated in the meeting with the local office of the renowned organization, the Transparency International Slovakia (TIS). The upcoming project has become a hot public topic, but not only in the city, it has even caught the attention of the Embassy of the United States of America as well. After the City Council successfully voted on the financing of this big project, it led to the conclusion of a contract between the local self-government and the TIS. Afterwards, the organization began to work on a package of anti-corruption measures. Introducing the set of anti-corruption measures seemed to be an innovative and progressive step renowned by both the experts and laymen at the national level. The great potential of the project could not be disputed. However, the actual practices of the self-government have throughout the last years undermined its reliability and relevance.

In cooperation with the TIS the city has prepared the project named “The Transparent City” which involved several phases dedicated to the implementation of anti-corruption measures in particular areas of the self-government's performance. The key indicator of change was believed to be a “transparency”. During the initial preparations of the project, the city itself has admitted the fact that despite of the established legislation, although there are numerous cases when the law itself is not breached, the presence of corruption tends to be undeniable. Therefore, it was in the interest of the self-government to introduce above-standard measures to streamline the current legislation and fill in the gap between its existence, legitimacy and implementation. By adhering to this project the city has committed itself to a great challenge with respect to its citizens. Today, the local self-government is officially declaring that the project is highly appreciated by the public which can see the

increased level of transparency in the decision-making processes. Moreover, according to the local self-government the citizens of Martin appreciate the possibilities of public control over the administration and most importantly the more effective management of public finances management. However this information seem to be in contradiction with the 2018 surveys conducted by the already mentioned renowned organization TIS, or at least are somewhat confusing.

Gathering the Data

Transparency as a means plays a particularly important role especially in a measuring and assessing the quality of public administration. If public administration takes place “behind the closed doors”, the quality assessment might easily become biased and restricted exclusively to internal controls which is incompatible with both the principles of the Good Governance and Open Government. Therefore, it is evident that it should be in the very interest and of high priority of both the local self-government’s representatives, its employees and the public as well.

Measuring the transparency levels among the biggest self-governments in Slovakia belongs to the major functions of the TIS. Every two years, since 2010, the organization observes and notices the level of transparency in the largest municipalities of Slovakia through the accurate surveys. The latest edition of the transparency assessment was released in December 2018. Generally speaking, the most important finding was the fact that the local self-governments across Slovakia are becoming more and more open. The findings have indicated historically highest average score of transparency of 57%. However, this finding reflects the overall average, but is actually far from the reality of the city of Martin. De facto, the city of Martin has fallen by 17 spots in the quality bar. Even though, this decline does not signify the worst case scenario, since there was a self-government that has declined by more than 50 spots. Nevertheless, such decline should be a warning signal for the local self-government. On the other hand, although the survey proves to be important indicator of the decreasing level of transparency in the city, it is important to realize that it does not really point out the concrete case of presence of corruption, or its scale, neither any illegal trends in the administration.

The survey assessed 11 areas of the public administration’s competences. There are two components of the rating that are important for this thesis. They are the indicators

of the public procurement and the budget and contracts. Concerning the public procurement indicator we can observe not quite positive results. According to the findings, the city has ended up on the 70th out of 100 positions and thus it is relatively well below the national average. The most alarming results within this section have pointed out the shortcomings of publishing the links of the self-government's profiles at the EKS and ÚVO portals on the official city's website. They further reported that there are no public procurement notices on the official website of the local self-government. Additionally, they pointed out that there is a very low number of tenderers in the public procurement procedures (below 3). Last but not least, the results demonstrated the lack of published public procurement plan for the given year.

Public finances, composed of the citizens' taxes and fees, are one of the major financial sources of the self-government's administration. Therefore, when it comes to any malpractice in the public finances management and corruption occurs, it becomes a very sensitive topic. A concrete examination or evaluation of the financial losses caused by corruptive practices in the self-government is under the given circumstances barely possible. It is even more difficult to prove the presence of such practices at all. Nevertheless it is possible to monitor the environment and conditions of the self-government's functioning and subsequently assume and derive their possible inclination towards the undesirable consequences. For the sake of this purpose it is helpful to take a look at the particular regulatory policies of the self-government designed within the city's project of anti-corruption measures.

TIS has defined seventeen key areas of transparency policies:

1. The policy of movable and immovable property sale
2. The policy of movable and immovable property renting
3. The policy of filling of jobs in the city and within the organisations under the self-government's auspices
4. The policy of public participation in the decision-making of the local self-government
5. The policy of free access to information on the functioning of the local self-government

6. The ethics policy – ethical infrastructure and conflict of interests of elected representatives
7. The ethics policy – ethical infrastructure and conflict of interests of the self-government administration's employees
8. The ethics policy – ethics infrastructure and conflict of interests of the self-government organisations' employees
9. Policy on media
10. The policy of land use planning and construction administration office
11. The policy of the local self-government's subsidies
12. The transparency policy in the matters of legal entities established and managed by the self-government
13. Public procurement policy
14. The policy on public-private contract partnership rules
15. The housing allocation policy
16. The policy of allocation of the spots in the social institutions founded by the local self-government
17. The policy of budgeting and informing the public in this respect

(Source: official website of the city: <http://www.martin.sk/politiky-transparentnosti/d-30257/p1=20119>)

Out of the 17 key policy areas, there are three of them that closely address and relates to the purpose of this thesis. Specifically they are public procurement policy, the policy of budgeting and informing the public in this respect and the policy of free access to information on the functioning of the local self-government.

Since the target of observation of this thesis is the public finances management and economic performance of self-government has to be taken into consideration, this research relies also on another relevant data that were conducted by INEKO. According to this data, the City of Martin is the second worst city in financial management evaluation.

The Transparent Public Procurement Procedure

How should it work?

Regarding the public procurement policy, the local self-government must follow the ordained law about the public procurement and its internal directives. The city of Martin is in accordance with § 6 par. (1) b) of Act no. 25/2006 on public procurement and on the amendment of some acts, as amended by Act no. 282/2006 Coll., Act no. 102/2007 Coll. and Act no. 442/2008 Coll. (hereinafter referred to as "the Act") a contracting authority and in awarding the contracts, it proceeds in accordance with the provisions of this Act. Additionally, the local self-government has designed its internal guiding rules in the directive according to the TIS' recommendations that it had committed to follow. The directive can be a subject of change when there are legislative changes adopted by the EU or members of the Slovak National Council, when the Public Procurement Office establishes the new methodological guidelines or when it is in the local self-government's will itself. The newly-adopted Directive regulates the rules of the public procurement procedures for entering the over-limit, under-limit contracts and under-limit contracts with an estimated value lower than the value of under-limit contract. The Directive tracks the single unified procedure of the public procurement processes under the conditions of the local self-government. Contracts of higher value than 3000€, VAT included, are set to be carried out by an electronic auction. This procedure requires the contracting authority to follow the particular rules. Most importantly, it has to state this fact either in the contract notice or in the notice used as a Call for Proposals. Within the framework of these criteria, the local self-government created a separate section for public procurement together with a database of public procurement contractors on its website. This is facilitated by the domain of the certified information system for the electronic auctions known as the "eBit 4.0.0.0".

Provision of public procurement is expected to uphold the public service values which can be well summarized into four main categories. According to the publication *Public Procurement: Public Administration and Public Service Perspectives* ((Keith F. Snider, Rene G. Rendon, 2012) they are pursuing the public interest, serving professionally, acting ethically and demonstrating respect equity and fairness. All the sets of values are afterwards followed by the provision of particular policies,

processes and practices. As for instance, serving the public interest can be ensured by the policy of contracting officer appointment and publicizing of contract actions. These standardized policies are in the process itself followed by the review of contract documents and public disclosure of contracts. Additionally, the practices such as organization of conferences about the contracting opportunities or solicit feedback complement the process of public procurement. Provision of these policies, processes and practices then enhances the public procurement's accountability and transparency and therefore supports the public service value of pursuing the public interest. The second major public service value regarding the process of public procurement is to serve professionally. Within this category the emphasis ought to be put on the competence, objectivity and efficiency. Policies that are necessary in this respect resolve from the legislation, reforms or initiatives and can be accompanied by the set requirements for the contracting officers and the rest of the procurement workforce. In this stage the process must ensure the well-organized planning, well selected sources and organized administration. Given the value of professional service, the practices of public procurement process must ensure that there will be conducted a market research, all the proposals will be evaluated and contract with the best value will be awarded. The third major public service value is an ethical conduct. This value is both determined and influenced by the public trust. The necessary policies ought to eliminate the possible conflicts of interests and provide the set of standards. Therefore under the process of public procurement the emphasis should be put on the contract negotiations in which the reasonable and fair prices must be determined and the performance of the contracting parties must be monitored. All the mentioned above is additionally recommended to be accompanied by the values of respect, equity and fairness.

How do we evaluate?

A below portrayed designed model for public procurement's transparency assessment depicts 6 most important factors that influence the level of transparency and at the same time are supposed to help build up its level. Criteria represent a set of both already legally regulated but also above-standard measures. They have been set up with an intention for improvement taken into consideration.

TRANSPARENCY ASSESSMENT MODEL IN THE PUBLIC PROCUREMENT PROCEDURES			
THE LOCAL SELF-GOVERNMENTS			
<i>Conditions to be fulfilled in practice</i>			
CLARITY	<p>1. Each phase of the PP cycle has clearly and accurately set rules and steps of the procedures.</p> <p>+ transparent information both prior to and following any negotiations</p>	<p>2. There is a strategic organization of the cycle from the very beginnings up to the final ends and following monitoring results.</p>	<p>3. Guaranteed clear and accessible information for both interested and uninterested subjects:</p> <ul style="list-style-type: none"> a. All stakeholders involved b. Potential domestic and foreign suppliers c. Civil society organizations d. Public
COHESION	<p>1. Provided high standards of integrity.</p> <p>- There are existing frameworks and codes of conduct for the local self-government's employees</p> <p>- There is accurate mechanism for management of the conflicts of interests</p>	<p>2. Integrity training Programs</p> <p>- There are regularly organized programs for both public and private concerning the public procurements, raising of awareness and actively promoting encouragement</p>	<p>3. Developed requirements for:</p> <ul style="list-style-type: none"> a. Internal controls b. Compliance measures c. Anti-corruption programs d. Appropriate monitoring
COMPETITION	<p>1.Encouragement of broad participation</p> <p>+ elimination of single-source procurement</p> <p>+ limitation of the use of exceptions</p>	<p>2.Proportionality</p> <p>- Procurement conditions must take into account all the possible variables, especially complexity vs. time vs. size</p>	<p>3. Standardized, clear and integrated tender documentation</p> <p>+ a high-performance standardized model of electronic information platform</p>
SECONDARY POLICY OBJECTIVES	<p>1.Responsible business conduct</p> <p>+ sustainable green growth</p>	<p>2.Encouragement of small and medium-sized enterprises</p>	<p>3.Supporting innovations</p>
ACCESS	<p>1.Coherent and stable institutional, legal, regulatory frameworks</p> <p>- particular online portal exclusively for the needs of public procurement management</p>	<p>2.Access to information about the performance of the public procurement system</p>	<p>3.Providing information about the procurement forecasts, upcoming calls for proposals, awards announcements</p>
EFFICIENCY	<p>1. Bonus and penalties of performance effectiveness</p>	<p>2. No-corruption warranties included in the public procurement contracts</p> <p>+ incentive mechanisms</p>	

(Source: own processing)

What was the reality?

In order to demonstrate the non-transparent practices within the public procurement procedures in the local self-government, a concrete case from 2014 was chosen. Its particular effects can be traced even today. In this case, a contracting authority, the city of Martin, had an interest in the purchase of a camera system. The case was also medially hyped since it was supposed to breach the principles of the transparent public procurement. However, what needs to be mentioned is that, in fact, the critiques did not stem from the results of observing the standard criteria, or at least they publicly did not refer to them. On the contrary, the critiques adverted mainly to the corruptive practices in this public procurement, that namely were presupposed conflicts of interests, pre-concluded agreements and a corrupt past of the representatives. Speaking of this practices, this case was supposed to be a good example for this thesis' purposes. It suggested the presence of the non-transparent practices, although it successfully proceeded, yet was not against the law. What was the case specifically about?

The purchase of a camera system by the contracting authority, the city of Martin, from the company GAYA, should have been undertaken. By reporting the case, it was found out that between the two entities up to 6 business contracts were concluded during the whole year 2014. Three contracts concluded a purchase of cameras worth almost 50,000€, two contracts provided the data transfer at almost 40,000€ and the last contract maintained the cameras technical services worth of 25,000€.

The initial step of the public procurement cycle that I recommend, would be to include the purchase goal within the in-advance-designed organizational plan. The clarity principle requires a strategic organization of the cycle from the very beginnings, up to the final ends and following monitoring actions. Organized scheme of the planned public procurement, at least for a short-term period, should be a standardized element of the cycle. Although, the local self-government, respectively the City Council, annually submits and votes on the proposed budget for a given year, which includes planned expenditures, it gives informative reports on the results of controls, this proposal cannot be a relevant replacement of the public procurement planning. The actions that the self-government undergoes in this respect have all a retrospective character. In fact, the local self-government does not dispose of a similar planning scheme. While the budget proposals include a lists of expected expenditures and their estimated values, the organized planning scheme of public procurements

shall be much more complex. Not even a programmed budgeting is designed to carry out and reflect upon the necessary steps of the transparent public procurement. To increase the soundness and credibility in a relationship between the citizens and the self-government, the administration should put forth more efforts in the elimination of the unexpected orders. Understandably, the unexpected needs are difficult to plan, yet organized planning and accurate analysis of the needs can limit their presence. In some measure, it is at least a step which proves the determination and interest of the self-government. The analogous procedure did not take place in 2014, nor 2016, and the administration does not even do so today.

If we now turn to the further course of the situation, the next standard step that I propose would be publishing of notice about the planned call for proposals. This is actually a notice about call for a call. But is announcement of the upcoming call for proposals, not call for proposals itself, yet. This step proves to be very important. Firstly, the announcement as such indicates the continual and organized course of the whole cycle. Secondly, it provides potential service or goods suppliers with a sufficient length of time to consider, examine, and possibly prepare themselves. Last but not least, it is an effective means of public control. Having this in mind, we have also come to the conclusion, that without the sustainable possibility of retrospective observation of this criterion over the long-term period, this measure loses significantly on its effectiveness. Therefore, we recommend the local self-government to create a publicly accessible structure, by means of a website, for entering of announcements about the upcoming calls for proposals exclusively. This section should dispose of a long-continuing archive function in order to allow effective monitoring of all announcements. As in the first step, even in this case the local self-government does not have a similar mechanism and therefore it is impossible to monitor whether or not, it has published any announcement of the forthcoming calls for tenders in 2014.

The third step of the standard procedure should be the published call for proposals for the potential tenderers. At this point, the value of the contract items plays a decisive role. In case of a below-limit contract, the contracting authority is not obliged to enounce the electronic public procurement, but otherwise, of course it must proceed alike. The risky part of this stage is often the possibility of lowering the estimated value of a contract below the financial limit for entering the below-limit contracts. In such a case, the principle of transparency is fundamentally violated. We propose that this fact closely relates to the above mentioned shortcoming of an organized scheme

of the public procurements planning. If the scheme exists, the contracting authority is forced to consider the demand for one specific service or goods while respecting a longer time period. What it would mean in practice, is that the contracting authority would not be able to circumvent the award of one large contract by dividing it into a few smaller ones, because it would be linked to the public procurement plan.

By upholding to this step, the associated undesirable consequences such as a space for the non-transparent practices, could be effectively eliminated. As far as the concrete case of camera system buying is considered, the documentation of announcement of the call for proposals does exist at the portal of electronic auction eBit 4.0.0.0, however only three out of four cases demonstrate to have the full documentation. When looking closer to the published announcements for submitting offers at the given website, one would find it impossible to open the full documentation. The website redirects the user to the “File not found or inaccessible!” link. This brings us to the conclusion that the criteria of the coherent, standardized and accessible information have not been met.

The following step of the public procurement cycle is the competition itself. Competition is held through the electronic auctions. At this stage, it is useful to draw the attention to the problematic area which is very commonly the number of the tenderers involved in the competition. It is demonstrable that in the public procurement, any increase in the number of offers by one competitor leads to a decrease of final price by 5-8%. Therefore, due to the local self-government's intentions for savings, it shall be in its own interest to encourage the competition. According to the statistics of the European Commission, the average number of tenderers in the public procurement competition for 23 countries is 4.6 (competitors). Regarding the situation in Slovakia, the cities', municipalities' and self-governing regions' public procurements demonstrate the average participation of 2.8 applicants, which is significantly lower number when compared to the EU average.

This indicator shows the similar results also in case of Martin. Concerning the statistics, the average number of competitors involved in the public procurements during the period between January 2015 and August 2018 proved to be less than 3. The case which is the subject of our observation suggested the same insufficient number. Or better said, it directly absent any higher number of applicants than 1. In three public procurement competitions for purchasing camera system, GAYA was the only bidder in the tender. To compare, an example of the public procurement with the

same purpose that took place in the city of Žilina can illustrate well a difference. Up to 11 tenderers participated in a similar public procurement competition to provide the city camera system. However, when determining the causes of such a procedure and decisions, I have not encountered any arguable explanations. On the self-government's side, the public procurement officer was not willing to give us any information, and on the side of the company, we have met similar responses.

Regarding the criteria of the designed model, the category Competition lists the criterion of a standardized, clear and integrated documentation of the competition. Information about a single-source procurement that we refer to are obtained from the media reports. However, if a citizen or other legal entity wants to track the course of the stages of this cycle, specifically to find out how many competitors participated in the given procurement, the information will not be accessed without the restrictions and complications. This fact presents a significant gap in the overall transparency of the public procurement. Therefore, this thesis proposes that a section which discloses such details is a constituent part of the transparent public procurement and therefore should be included and publicly accessible, clearly organized, consistently processed and well promoted. The transparency principles simply require a reviewable documentation of each action of the whole public procurement cycle which includes the rationale formulation in case of the exclusion or rejection of other proposals. Given the case of camera system purchases, one will not get the requested documentation.

Throughout the course of the whole cycle it was essential to aim towards a fulfilment of the contracting authority's goal which was getting the needed item. Completion of the public procurement process happens however only after the achievement in concluding the official contract. Having processed the officialities of the contract conclusion, the contracting authority is then obliged to send the announcement about the public procurement's results to the Public Procurement Office.

Challenges instead of conclusions

This thesis attempted to identify the non-transparent practices within the particular local self-government by qualitative and secondary data analysis. It put forward a new set of indicators for assessing transparency of the public procurement process which move beyond the existing measures and standards. As stated in the introduction the thesis was conducted in order to examine the role of the transparency as a means of well-functioning local self-government with respect to the public finances management. By examining the level of public procurement process' transparency in the city of Martin, because of its presupposed deficiencies, there was developed a model of criteria for public procurement's transparency assessment and possible improvement. Since there exist universal principles and conditions for the public procurement processes on the national level, conclusions that we derived are not exclusively tighten to the local self-government, but might be applied variably.

The very first problem is the flexibility of the term transparency itself. Missing legally anchored definition creates a place for various interpretations and accompanied discrepancies. Laws and directives regulating transparency in public administrations are necessary but apparently insufficient to ensure the highest possible level of transparency. Their shortcomings create an undesirable environment for the flourishing of corruption practices and lack of transparency. As far as the implementation processes are concerned, this independent variable refers to transparency policies established by the project the "Transparent City". Policies do exist, but the level of transparency is diminishing anyway. Therefore it is important to observe their implementation and perhaps their content as well. The thesis has shown that the existing laws on public procurement, internal directives and the project "The Transparent City" itself, are not sufficient means for providing a transparent procedure.

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Resume

S cieľom objasniť tému a problematiku tejto bakalárskej práce sa úvodná kapitola venovala popisu súčasného významu a dôležitosti transparentnosti vo verejnej správe. Základnou jednotkou analýzy transparentnosti bola pre účely práce miestna samospráva. Vzhľadom na obsiahlu škálu významov konceptu transparentnosti, a samotného výskumného cieľa v súvislosti so stanoveným rozsahom tejto bakalárskej práce, bolo potrebné tento koncept bližšie špecifikovať a aplikovať na konkrétnu oblasť kompetencií samosprávy. Oblasť narábajúca s verejnými financiami, ako kľúčová kompetencia výkonu samosprávy, definovala moje použitie konceptu transparentnosti.

Druhá kapitola bola určená pre vymedzenie základných teórií a s nimi súvisiacimi konceptami prostredníctvom analýzy literárneho prehľadu. V prvom rade bolo potrebné venovať pozornosť konceptu demokracie ako formy politického systému, v rámci ktorého bol následne pozorovaný fenomén transparentnosti. Zároveň táto časť poukázala na to, prečo je demokracia žiadanou formou usporiadania štátu, aké sú jej základné princípy fungovania a v čom spočíva jej prepojenie s výkonom demokratických inštitúcií. Vzhľadom na postkomunistický charakter Slovenskej republiky a samotnou jednotkou analýzy tejto práce (verejná správa) bolo následne dôležité poukázať na demokratizačné procesy deväťdesiatych rokov, ktoré úzko súviseli so zásadnou reformou verejnej správy, ktorej dôsledky pociťuje jej súčasný stav dodnes. Ďalej práca objasnila žiadosť demokracie z pohľadu verejnej správy, resp. samotnú úlohu verejnej správy v demokratickom usporiadaní. Následne, už spomínaná, reforma verejnej správy podmienená demokratizačnými procesmi bola vysvetlená prostredníctvom teórií verejnej správy, tzn. prechodom od teórie klasickej verejnej správy k teórii nového verejného riadenia. Dvomi najdôležitejšími konceptami pre túto bakalársku prácu boli dobrá správa vecí verejných (Good Governance) a otvorené vládnutie (Open Government). Po objasnení týchto základných konceptov a teórií nadväzoval priestor pre spresnenie oblasti ich použitia a teda pre definovanie oblasti verejných financií a verejného obstarávania a s nimi úzko spojeným fenoménom – korupciou.

V tretej kapitole práce bol objasnený metodologický postup. Po spracovaní teoretického základu práce nasledovala analýza sekundárnych dát vyplývajúcich z prieskumov renomovanej spoločnosti Transparency International Slovakia a dát INEKO. Ďalším postupom bolo vytvorenie modelu kritérií pre posudzovanie a meranie úrovne transparentnosti verejného obstarávania v miestnej samospráve vyplývajúcich z predošlých krokov a pozorovania situácie v konkrétnej prípadovej štúdií mesta Martin. Prípadová štúdia sa zaoberala konkrétnymi verejnými obstarávaniami, v ktorých som poukázala na netransparentné praktiky a porušenia základných princípov procesu verejného obstarávania. Na základe analýzy prípadovej štúdie boli následne navrhnuté opatrenia pre riešenia prítomných nedostatkov.

Záverečná kapitola zhrnula postupy, limitácie a priebežné výstupy tejto práce a poukázala na prítomnosť výziev namiesto jasných smerodajných záverov.