

LGI

**The Local Government and
Public Service Reform
Initiative
of the Open Society
Institute**

The Local Government and Public Service Reform Initiative

**Building open societies by
promoting democracy
through local government
and public service in Central
and Eastern Europe and the
former Soviet Union**

The Mission of LGI

The Local Government and Public Service Reform Initiative is a network program that promotes democratic and effective government at subnational levels and the efficient delivery of public services—issues crucial to open society and economic growth. More specifically, LGI engages in four types of endeavors:

1. helping build sustainable regional networks of institutions and professionals engaged in policy analysis, reform-oriented training, and advocacy
2. sponsoring in-depth policy studies of local government issues that are regional and comparative in nature and then disseminating these studies throughout the region
3. supporting national projects aimed at the reform of relevant issues, providing technical assistance and consultancy to agencies involved in implementing change, and publishing the lessons of reform in its *Discussion Papers*
4. assisting the Soros foundations in developing national local government programs

The Focus of LGI's Work

1. fiscal decentralization and financial management
2. local decision making and citizen participation
3. local development
4. social service delivery
5. multicultural and ethnic issues
6. urban services and infrastructure
7. public sector management and reform

The Type of Projects LGI Funds

Most of LGI's grants either (1) support the generation and dissemination of knowledge about selected local government issues or (2) help forge and sustain regional networks of institutions and specialists involved in the study and reform of local government.

Staff and Associates

Mr. Adrian Ionescu, *Program Director*—subnational governmental finance and fiscal decentralization and budgeting.

Ms. Juliet Gole, *Project Manager*—social service delivery, particularly to the elderly and the unemployed, and local economic development

Ms. Zsuzsanna Szotak, *Project Manager*—LGI publications

Ms. Violetta Zentai, *Project Manager*—multicultural and ethnic issues

Ms. Noemi Belavari, *Program Assistant*

Ms. Maria Birkas, *Administrative Assistant*

Mr. Jonathan Kimball, *Research Associate*—fiscal decentralization in Central and Eastern Europe

Ms. Petra Kovacs, *Research Associate*—ethnic conflicts, multicultural politics, and local governance

Steering Committee Members

Dr. Robert Berne, *Vice President for Academic Development at New York University*

Mr. Liviu Ianasi, *lecturer on urban planning, urban legislation, and public administration and management at the Ion Mincu Institute of Architecture, Bucharest*

Dr. Bohdan Krawchenko, *Pro-Rector of the Academy of Public Administration, Office of the President of Ukraine*

Dr. Gabor Peteri, *economist and consultant on issues of public finance*

Dr. Jerzy Regulski, *President of the Foundation in Support of Local Democracy*

The Local Government and Public Service Reform Initiative accepts unsolicited proposals for grants and selects the projects that best correspond to the program's objectives and will potentially have the most impact on the region. Preference is shown for projects that do not concern the Visegrad countries exclusively.

The Application Procedure

Proposals should take the form of an approximately three-page letter of intent. All proposals should be written in English in a clear and concise manner and emphasize (1) how the project will contribute to knowledge of local government, public service, and public administration on the regional level and (2) how the project's goals match those of LGI.

Three times a year, proposals are reviewed by LGI's Steering Committee. A member of LGI's staff will subsequently contact applicants and inform them if there is an interest in receiving more detailed information. All letters of intent should include all of the following sections, each approximately one to two paragraphs in length.

Grant request. Briefly describe the project and provide a rough estimate of its cost. If your grant estimate is over \$10,000, please provide a rough breakdown of costs by major category (i.e., personnel, equipment, research materials, printing and translation, etc.).

Introduction. Identify your organization and the person in your organization who is responsible for the project. State the primary beneficiaries and target audience of the project.

Applicant ability. Describe your organization, its purpose, its goals, its experiences in creating similar projects, and its relevant accomplishments. If you wish, you may include a more detailed one-page description of your

organization in your application. If you apply as an individual, please describe your professional experience and provide a short biographical note (maximum ten lines).

Problem statement and demonstration of need. Define the problem that you intend to address. Present evidence to discuss the reality and the size of the problem. Identify the regional benefits that will be a product of the project.

Goals and objectives. Develop broad goals for the project. With the goals in mind, develop realistic, measurable, and clearly stated objectives. Goals and objectives should be stated in such a way as to show how the project matches the initiatives of LGI.

Methodology. How will you accomplish your objectives? Please ensure that the reader will have a clear idea of what you will actually be doing during the duration of the project.

Policy studies, discussion papers, and teaching materials. What will be the output of your project? Who will benefit from it? How?

Additional information. Please provide any additional information that you feel is relevant to your request.

Please send all proposals to:

Mr. Adrian Ionescu

The Local Government and Public Service Reform Initiative

Nador u. 11., 1051 Budapest, Hungary

Join our mailing list
and learn more about
LGI projects

Circle one: Dr./Mr./Mrs./Ms.

Full name:

Name of organization:

Address:

Country:

Phone:

Fax:

Email:

Homepage address:

What do you and/or your organization do?

Field(s) of interest:

Please tear off and return to:
The Local Government and Public Service Reform Initiative
Open Society Institute
Nador utca 11.
1051 Budapest
Hungary

LGI Newsletter

The Quarterly Bulletin of the Local Government and Public Service Reform Initiative (affiliated with the Open Society Institute)

LGI Steering Committee Meeting and Conference

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On 5-7 October, LGI simultaneously hosted two important events in Budapest. The first was the third and final Steering Committee meeting of 1998. (The next meeting will be held in February 1999.) The other event was a three-day conference for representatives from the Soros/Open Society Institute national foundations of Central and Eastern Europe and the former Soviet Union. The events provided an opportunity for LGI and some of its network colleagues involved in related work to come together and discuss strategies for addressing common problems throughout the region.

The Steering Committee was very positive about the results of overlapping the two events, and the program coordinators from the national foundations agreed that the

"Policy centers also try to market and sell an idea. Researchers need entrepreneurial skills to push through ideas that they have studied in great detail. There isn't enough of that in our region. You need to develop, push, and mobilize around an idea. And this is very important in the area of local government. You don't get very far by just giving courses."

—Bohdan Krawchenko

meeting was a very important opportunity to exchange ideas and experiences. Thus, the fall 1999 Steering Committee meeting will also be coupled with a meeting of program coordinators. The entire event will be held in a different country in the region (possibly Poland for next fall) and will have more focused topics.

LGI Steering Committee Meeting, October 1998

The five-member Steering Committee was joined by the staff of LGI, OSI-Budapest Executive Director Katalin Koncz, Central European University (CEU) Academic Pro-Rector Sorin Antohi, Constitutional and Legal Policy Institute (COLPI) representative Constance Nicandrou, and former ILGPS Director James Fearn.

The committee's chair, Dr. Bohdan Krawchenko, expressed his deep satisfaction with the direction in which LGI has been moving. In particular, he cited LOGIN (see previous issue) as an important step that will forge international cooperation, promote an exchange of ideas, facilitate the creation of a database detailing current research, and provide a means by which LGI can identify important issues and innovative groups in the region.

Dr. Krawchenko also defined two areas on which LGI should focus in order to make the program stronger and more influential. First, LGI should concentrate on evaluation to ensure that grant money is not wasted. Second, LGI should increasingly operate in the field of public policy, becoming more involved in in-depth policy research and dissemination and then in marketing the resulting ideas.

The other committee members, Robert Berne, Liviu Ianasi, Gabor Peteri, and Jerzy Regulski, also expressed satisfaction with the activities of LGI since its restructuring in January 1997. They noted that LGI should become more

involved in issues surrounding transparency; increase its cooperation with the Central European University by creating additional public administration and public policy courses and by working with the new CEU Research and Policy Center; reaffirm its focus on multicountry studies; intensify its efforts to document the overall transformation toward democracy and establish operations in countries in which it has done little work; and further develop its cooperative efforts with other donors, so that larger, more influential projects will be presented.

The participants also discussed several proposals for projects that the staff of LGI were involved in creating and reviewed nineteen unsolicited letters of intent and proposals, of which two were approved, seven were sent back to the grantees for full proposal and budget development, and ten were rejected.

LGI Conference for the Soros National Foundations

Thirty-one people from the Soros/OSI national foundations representing eighteen countries joined LGI's staff, Steering Committee members, and associates

for the three-day conference. The invited parties consisted of (1) local government, public administration, or civil society program coordinators from the national foundations in Central and Eastern Europe and the former Soviet Union; (2) members from the expert committees of the national foundation programs; and (3) representatives from foundations in the Soros/OSI network that do not currently have LGI-related programs but who are interested in establishing such programs or increasing their activities in 1999. (For descriptions of national foundation programs, please see page 6.)

During the first day of the conference, LGI's staff and Steering Committee held their meeting at a separate location; meanwhile, the other participants in the overall event joined Ana Vasilache, executive director of the LGI-supported Regional Support Center for Capacity Building in Governance and Local Leadership, for a day-long session on network-wide communication and strategic development.

The second day of the conference focused on LGI's strategy and major programs. Dr. Bohdan Krawchenko opened the session by describing how several years ago the OSI Board found that one of the major reasons some countries in the region were advancing faster than others was the issue of governance. For several years the network avoided the issue, and many of the national foundations continue to do

so. The most common approach was to build civil society by giving grants to NGOs. The idea was that the creation of NGOs would be supported through giving grants, and thus an increased number of NGOs would help civil society develop. Civil society would in turn create good governance.

This strategy has major shortcomings. For example, very few NGOs tackle the idea of good governance, and waiting to deal with this issue until a strong civil society is in place and becomes active in the field can take a very long time. Therefore, Dr. Krawchenko noted that the OSI Board decided to create a local government program. As was demonstrated by the number of participants in the room, the national foundations have also chosen to become active in the reform of public administration.

In order to further promote good governance, Dr. Krawchenko continued, LGI and the national foundations must become active players in the reform process. Announcing an NGO competition in the newspaper is a poor method of promoting reform. Instead, the network must become involved in rigorous, in-depth policy studies and in programs that provide technical assistance to governments themselves. Although many people from the region remember government as an enemy, the network must engage regional governments in order to make them more responsive and effective. Frequently, a new law is written in a period of a month or less. If reformers need to wait for a grant competition to be announced and then apply and wait for the board to meet and make a decision, the opportunity for the network to initiate change will be lost.

Dr. Krawchenko also addressed an increasingly important initiative for the network: public policy. Policy

is an important area on which the network should focus its attention and resources because the foundations, governments in the region, and other actors in society cannot make sound decisions without in-depth policy analyses that use specific, professional, and analytical tools. The network should not support short, poorly conducted studies, and it should not support research just for the sake of accumulating more knowledge. Furthermore, it should support policy centers staffed by expert professionals who seize opportunities for change, engage in high-quality research, and then seek to market their ideas and make reform happen.

Professor Jerzy Regulski gave a presentation about the process of democratic reform and the role of training in the region. He stressed that under the former system, the role of the state was to implement socialism, which meant executing something that was outside the structure of the state, directing information downwards, and intervening in public and private life. The new role of the state under a democratic system is to create a safe and stable framework within which all people and organizations can work. Supporting the development of the nation is not a role for the state but one for the individual, and we all must support local, individual activities.

Professor Regulski further stated that the role of the network should be to create an image of future reforms that will reduce the fears of uncertainty held by the people and will attract their support. The network should also show people how to cooperate and solve local issues and train professionals in

governance. The training needs in Poland were so enormous that Professor Regulski structured his organization, the Foundation in Support of Local Democracy (FSLD), to be a permanent network of training organizations throughout Poland and to have the ability to train a growing number of people. The FSLD has trained a quarter of a million people since 1989.

Dr. Robert Berne addressed the need for training in public administration in schools of higher education. He said that public administration is a body of knowledge and a method of analyzing public problems. It is a description of how decisions are made, resources are allocated, and plans are implemented. But unlike other social sciences, there is a prescriptive element to the discipline: How can we do things better? Public administration involves objective analysis, which contrasts with, yet complements, politics.

Dr. Berne also discussed the different structures in which a public administration program could exist and the positive and negative elements of each. Should the program be part of a university or part of an independent institution? Should it be taught on a bachelor's or master's level? Should it be supported by the government or by private sources? Finally, he stressed that whichever form is chosen, the program must be linked to practice.

Students must develop a strong grounding in the practical affairs of public institutions. The students need internships in government offices or public service organizations and should participate in outside projects, so that they can apply what they've learned to a real-world setting.

The conference then moved on to discuss several specific LGI projects (described in this and previous newsletters), for example, LOGIN, the regional support centers, tax administration research, and ethnic conflict resolution. The third day of the conference was dedicated to discussions of the local government, public administration, and civil society programs of the national foundations.

The participants were very pleased by the opportunity that the conference presented to exchange ideas, and they identified several means by which the national foundations and LGI will be able to cooperate more effectively in the future, including periodic meetings of coordinators, training programs for coordinators, better dissemination of information, and the involvement of the national foundations in LOGIN and other regional initiatives. ■

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Local Government Monitoring Database

Grantee(s): TARKI
(Tarsadalomkutatasi Informatikai Egyesulet)

The grantee will develop a model for a database that provides information on (1) local capacities of economic development, (2) local investment plans and initiatives, (3) the expectations of local decision makers, and (4) local policies and their effects on social services and public administration. The model will serve research needs in a country-specific and regional context and evaluate the potential data and beneficiaries in four countries: Hungary, Poland, Romania, and Slovakia. TARKI will draw on a small international team of experts from these countries and produce two papers that discuss the applicability of the database and the available sources and techniques of information gathering.

For further information, please contact:
Dr. Endre Sik
1132 Budapest, Victor Hugo st. 18-22
Hungary
tel.: (36-1) 349-7531
fax: (36-1) 329-4070

Opportunities and Constraints for Public-Private Partnerships in Municipal Waste Management in Central and Eastern Europe

Grantee(s): Institute for Environmental Strategies, Sofia

The grantee will develop a comprehensive, regional understanding of the constraints inhibiting private sector participation in municipal solid waste management and of the opportunities and benefits of private participation. During the first stage of the project, the institute will engage representatives and consultants from participating countries, which include Hungary, Romania, Bulgaria, and Slovakia. The consultants will prepare initial reports that will consist of descriptions of the status of public-private partnerships in waste management. Then the grantee will review the reports and create the terms of reference for country diagnostic surveys, which will be completed at a later stage in the project.

For further information, please contact:
Plamena Borisova
1 Tsar Ivan Asen I., 1124 Sofia, Bulgaria
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Innovative Practices Project in Bulgaria

Grantee(s): Foundation for Local Government Reform, Bulgaria

The project is aimed at increasing the competence and responsiveness of local governments in Bulgaria by distributing information about innovative practices and approaches to managing, financing, and

improving local governments to officials in municipal and national governments. The goal of the project is to design and implement a program to collect and disseminate innovative practices in Bulgaria.

For further information, please contact:
Ginka Kapitanova
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tel.: (359-2) 943-4422
fax: (359-2) 943-4422 or 944-2350

Policy Research Center Start-Up Grant/Unfunded Mandates, Kazakhstan

Grantee(s): Kazakhstan Institute of Management Economics and Strategic Research (KIMEP)

The grantee will establish a new policy research center to deal with policy issues in Kazakhstan and neighboring states. The center will conduct a pilot study on unfunded mandates at the local level of government in Kazakhstan, an issue that has never been addressed in the country. Faculty members and MPA students will carry out the research with the guidance of the director of the research center. The center will help the transition to a market-based economy with a popularly supported, accountable government by identifying prominent public issues, applying high-quality public policy analytical techniques to the problems, and then proposing and advocating innovative policy options.

For further information, please contact:
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Country/National Foundation Reports

Activities of the Local Government and Public Administration Programs of the Soros/Open Society Foundations

Open Society Foundation-Albania

The public administration program for 1998 developed three strategic areas for further study. The first area is focused on improving the legal basis for the reform of public administration. Activities in this sphere include a study of a new territorial and administrative division in Albania and a round-table discussion with mayors, NGOs, and donors active in local government issues, which will raise proposals for the new Albanian Constitution.

The second area is concentrated on building institutional capacity in central and local government and promoting policy development. Activities in this field include the establishment of an institute of public administration, which will be a tool to promote public policy, and a training center for local elected authorities. In addition, the Institute of Contemporary Studies will be transformed into a policy center, so that it will be integrally involved in public policy research and dissemination.

The third area will focus on improving communication between public administration and citizens and promoting transparency. Activities in this area will include modernizing press offices and strengthening media relations in seven state institutions: the President's office, the General Prosecutor's office, the Council of Ministers, the Ministry of Interior, the Ministry of Defense, the Ministry of Justice, and the National Information Service.

For further information, please contact:

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Open Society Institute-Azerbaijan

The Open Society Institute-Azerbaijan is a relatively new foundation, and it plans to launch a local government program in 1999. The current system of government in Azerbaijan is extremely centralized, and the foundation will try to build democracy from the bottom up, which offers a contrast to the government's plan of imposing democracy from the top down.

For further information, please contact:

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Lala Hajibayova
e-mail: lhajibayova@osi-az.org

Open Society Fund-Bosnia and Herzegovina

The fund's program in public administration, law, and civil society has three main focal points: (1) education, (2) training, and (3) research. In the field of education, the fund has supported the Institute of Public Administration within the Ministry of Justice. Training programs will begin next year with the support of LGI. The research supported by the fund includes a project on fiscal policy and budgeting for local governments.

Open Society Foundation-Sofia

The mission of the foundation's local government program is to promote the democratic reform of local government and increase citizen participation. Priority areas include: (1) building the sustainability of local authorities; (2) facilitating the resolution of conflicts between central and local governments in the field of urban planning; (3) improving the professional, especially managerial, skills of local officials through training; (4) raising the public's awareness of local, social, and demographic problems and issues surrounding citizen participation in decision-making processes (transparency, trimming the bureaucracy, and fighting corruption); (5) facilitating an exchange of best practices among local governments; (6) drafting local government legislation to harmonize Bulgarian laws with European standards; and (7) stimulating open discussions and cooperation between the administrative divisions of local governments and NGOs.

For further information, please contact:

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Croatian Law Center

The Croatian Law Center (CLC) was established in 1994 with the support of the Open Society Institute-Croatia. The main goal of the CLC is to promote the rule of law in Croatia through such means as establishing legal principles that are in accordance with international standards, advancing professionalism in the judiciary, and supporting general legal research. Now that the territorial integrity of Croatia has been stabilized, the CLC feels that there are greater opportunities for decentralization. The center is working on revising legislation that will initiate local government reforms, and it is hoped that a new legal base will reaffirm local self-government as an important component to a developed democratic political system and strengthen the capacity of local institutions to solve problems and satisfy the needs of the people.

For further information, please contact:
Natasa Durovic
Contact and Legal Adviser
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Open Society Fund-Prague

At the present time, the Open Society Fund-Prague does not have a local government or public administration program; however, the fund has been very active in community development and civil society programs. For example, a new program called the Community Partnership Support Initiative (CPSI) will help increase civil participation in public affairs, support the principles of participatory democracy at the local level, and build cooperation between the public, private, and NGO sectors. In 1999 the fund will support a new public

administration program and will become increasingly active in public policy.

For further information, please contact:
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Open Estonia Foundation

The Open Estonia Foundation's local government program has two main components: (1) the translation and publication of public administration textbooks and (2) the training of local government officials. The program is conducted in close cooperation with the State Chancellery of Estonia. Public administration is a component in some of the foundation's programs that are not under the wing of the local government program, for example, the internet project, which helped place information and government documents on the world-wide web.

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Open Society Georgia Foundation

The main goal of the foundation's local government program is to promote the democratic reform of local government, facilitate the operation of local governments, and support the development of local governance and NGOs active in the field. Areas of concentration include: (1) promoting cooperation and communication between local governments and citizens, (2) increasing public awareness about and transparency in decision-making processes, (3) assisting in the first local elections in Georgia, (4) improving the skills of local officials through training, (5) drafting legislation dealing with local government, and (6) providing technical assistance to local governments. The program has taken an innovative approach in concentrating its work outside of the capital city, mirroring its goal of decentralization. It has also supported workshops and seminars in minority regions and in minority languages. In the future, the program will create a permanent training center outside of Tbilisi.

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Soros Foundation-Kazakhstan

The goal of the foundation's local government program is to support NGOs working with local governments and help local officials operate under new economic conditions. The program has three main components: a grant competition, a training program, and an effort to create legislation. The

grant competition promotes community cooperation, development, and self-help, as well as an improvement in local services. The training program is aimed at building capacity in representative groups to address new issues and responsibilities. The legislative component is an attempt to clarify and strengthen the role of local self-government through legal reforms.

The foundation's plan for 1999 includes a campaign centered around the elections to the Maslihats (local governments). The foundation plans to finance seminars and training programs, conduct forums, educate voters about democratic processes and procedures, and conduct an election follow-up to draw conclusions regarding the success of the election. In addition, the foundation will sponsor an open competition between NGOs for the financial assistance needed to establish a new policy research center. The research center will engage in a study of problems surrounding local government in Kazakhstan.

For further information, please contact:
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Soros Foundation-Kyrgyzstan

The Soros Foundation-Kyrgyzstan has faced a number of hurdles in its efforts to promote training and research in public administration, yet the foundation's public administration program has been very active in presenting new approaches and ideas. In 1998 the foundation worked with LGI to create a new training center for local officials in the capital city of

Bishkek. Plans have also been devised to become increasingly active in community development.

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Open Society Fund-Lithuania

The Open Society Fund-Lithuania supports local government and public administration projects through its civil society program. The program encourages cooperation between and the development of professionalism in nongovernmental organizations. It also supports various initiatives that contribute to promoting self-government and strengthening democratic society, seeks to facilitate constructive debate about the interests of society and its citizens, and promotes tolerance and mutual support in society. The program takes a particular interest in the problems of NGOs and the third sector, with priority given to addressing problems surrounding the integration of national minorities, women, and other marginalized social groups into Lithuanian society. In the coming year, the foundation will work on building institutional capacity in policy centers; in particular, it plans to establish a policy center that will contribute to the formulation and improvement of public policy.

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Open Society Institute-Macedonia

The Open Society Institute-Macedonia plans to become increasingly active in public administration and local government and will establish a program in cooperation with LGI in 1999.

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Soros Foundation-Moldova

The foundation's local public administration program has three focal points: public administration education, local government training, and local governance. The first of these areas involves internships, scholarships, and book donations for institutions of higher education. Local government training is targeted at representatives of NGOs, local authorities, and professors of public administration. The foundation also supports local development projects, which help citizens identify problems at the local level and influence the decision-making process.

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Coordinator
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Open Society Institute-Mongolia

The institute's civil society program, which includes a local government and public service component, is

relatively new. The foundation has conducted a study that assessed the predominant needs for training and educating civil servants and developing policy. The program will become active in training local officials and developing NGOs, and it is considering coordinating its work with potential partners like UNDP and the World Bank, as well as with the central government.

For further information, please contact:

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Open Society Foundation-Romania

The public administration program, which was established in 1988, has become one of the main priorities in the overall strategy of the Open Society Foundation-Romania. The program was created following an assessment process that involved representatives from the field of public administration, and it is pursuing three important directions: (1) promoting institutional development through restructuring existing institutions and establishing new ones, including the Public Policy Center, which should assist and interact with public authorities, and the National School of Public Administration; (2) improving performance in public administration through training, community development, and support for disadvantaged communities; and (3) harmonizing legislation in public administration.

For further information, please contact:

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Moscow Public Science Foundation

The purpose of the foundation's local government project is to provide structural and methodological support to local governments in the areas of legislation and financial management and to promote the training of municipal officials and administrators. It also works in cooperation with foreign experts and charitable funds to publish materials in the field.

For further information, please contact:

Lyudmila Revenko
Research Assistant

Olga Sukhova
Program Administrator
e-mail: mlrc@glasnet.ru

Open Society Institute-Slovenia

The institute's local government program has three priorities: (1) urban planning, land use, and preservation; (2) local decision making, citizen participation, and the role of NGOs in these processes; and (3) legislative frameworks for decentralization. The objectives of the program include promoting the decentralization of urban, cultural, and housing policy; stimulating NGO participation in public discussions and decision-making processes; increasing the accountability of local (and national) governments and their agencies; encouraging academic and professional experts to publicly express their independent views on important issues; and generating interest among students in developing innovative ideas and practices.

For further information, please contact:

Bratko Bibic
Program Director for the Civil Society Program
fax: (386-61) 126-3329
e-mail: bratko@soros.si

International Renaissance Foundation (IRF), Ukraine

Until recently, the focus of IRF's local government program had been on promoting involvement in and an understanding of local government in Ukraine. The program gave competitive grants to citizens' organizations to develop local projects, and it selected journalists and NGO leaders to travel to neighboring countries for study tours. The new approach of the program, however, is to concentrate on encouraging reform in government. It will seek to achieve this goal by such means as supporting new legislation, improving management in local government, holding public hearings on local budgets, providing funds for in-depth policy research on urgent problems of local government, and publicizing and introducing best practices from domestic and foreign municipal management experiences.

For further information, please contact:

Roman Kobets
Program Development Manager of the Civil Society Branch
fax: (380-44) 216-0166
e-mail: kobets@irf.kiev.ua

LGI Research Initiatives

Local and Regional Tax Administration in Transition Countries

Mihaly Hogye

This project, supported by a grant from LGI, was established to promote international research in the field of public finance and management in Central and Eastern Europe. Running from 1 November 1997 to 30 November 1998, the project addressed the need to support the reform of local governments in transition countries, and the funds received from LGI were used in a comprehensive international project, where the partner countries enjoyed a significant amount of autonomy and flexibility to accomplish the established objectives. Each country had its own contract, research plan, budget, and management and was required to submit interim and final reports on the progress and results of the research.

The main goals of the project were to study, analyze, and evaluate the actual state of affairs in local and regional tax administration in five Central and Eastern European countries and make an international comparison using experiences from Western Europe, different country studies, and theoretical and empirical research findings. An additional aim of the finished research project was to outline policy options and establish the needed tools for local and regional tax administrations in economies in transition. The beneficiaries of the project will be the financial departments of local and regional governments and decentralized tax offices, but it will also be relevant to national tax administrations.

In order to achieve these goals,

the research teams needed to accomplish the following tasks: (1) an analysis of relations between central and local tax offices or units, which included a description of existing tax policies, tax systems, and structures; (2) field research in the units where the taxpayer meets with the tax officer to study the organization of the units and their environment, the management philosophy and system in the units, the personnel policy and technology used in the units, the level of customer service in and the efficiency of the units, and the sophistication of the practical and legal tools used by the units to combat fraud; (3) an evaluation of the findings, resulting in the creation of a national report; (4) a final research study; and (5) a final international comparative study.

Participants in the project engaged in two types of research. First, working papers were presented in selected topics, which were designed to provide necessary background information, by both the professional advisors and the country experts. Second, the bulk of the research consisted of field interviews carried out by the research staff in each country. These interviews were conducted in the local financial departments and tax offices of the partner countries and presented a significant basis for empirical research. This research on public management and the latest developments in the reform of tax administration in Western Europe was the basis for revealing certain patterns. The interim and final results of the research will be discussed in a working session of the advisors and in different national workshops with the participation of experts and public servants from the

countries involved.

In general, the headquarters and the five partners showed much progress in their research activities. There were delays in almost each country, which were partly due to the relatively slow start of the actual work, resulting from some rapid changes in the different countries that had to be clarified. The headquarters also needed additional time to provide more comprehensive information in some fields. The general manager convinced some of the authors to improve the first versions of their papers, and this process served as an internal control over the quality of work completed by the researchers.

The exchange of information through electronic mail is very important to manage and coordinate international research; however, it is not a substitute for personal contact and discussion. Therefore, the national workshops are of significant importance in building a common language for interpreting terms and relations.

There are indeed differences between partner countries in working style, in approaches to different topics, and in problem-solving methods. In order to achieve a concise structure for and a "uniform" approach to the final research studies, the management focused on persuading the partners to follow certain patterns in preparing the publication of the program's findings.

For information about the participants in the project, please contact LGI. ■

Announcements

A Call for Applications

LGI is seeking applications for the new LGI Fellowship Program. The fellowship is intended to support research, writing, and activism in one or more of the following areas: (1) fiscal decentralization and financial management; (2) local decision making and citizen participation; (3) local and regional economic development; (4) urban planning and land use; (5) social service delivery; (6) multicultural issues and ethnic conflict resolution; (7) ethics, transparency, and corruption in local government; and (8) local government administration, legislation, and reform.

Fellowships in these subject areas may be awarded based on the quality of the research and writing, the design or implementation of the pilot project, or other efforts to offer new information, insights, and ideas on issues of importance to decentralization and the reform of subnational governments in Central and Eastern Europe, the former Soviet Union, and Mongolia. Awards will be made for efforts focused on one country as well as those of a regional nature.

Fellows should be practicing policy professionals employed at a policy center, institute, or similar organization. The program is not intended for university students. A Ph.D. or equivalent is required. Fellows will be provided with a stipend and the needed communications equipment to work full-time on a project of their design in one of the above areas. The amount of the award will vary depending on the standards in the fellow's country of residence and the budgetary needs of the proposal.

As a rule, the fellows will be

based in their home countries; alternatively, fellows can spend all or part of a year in Budapest in order to work more closely with LGI's staff. Fellows are expected to continue employment at their home institution, while working on LGI's project for approximately two days a week.

For an application, please contact Judit Benke at LGI.

Proposal Submissions

The next deadlines for submitting unsolicited grant proposals are 5 January and 15 April 1999. Proposals received by these dates will be reviewed by LGI's Steering Committee in early February and early May, respectively. Proposals should take the form of an approximately three-page letter of intent. All proposals should be written *in English in a clear and concise manner* and emphasize (1) how the project will contribute to knowledge of local government, public service, and public administration on a regional level and (2) how the project's goals match those of LGI.

Letters of intent should include all of the following sections, each approximately one to two paragraphs in length.

Grant request. Briefly describe the project and provide a rough estimate of its costs. If your grant estimate is over \$10,000, please provide a rough breakdown of costs by major category (personnel, equipment, research materials, printing and translation, etc.).

Introduction. Identify your organization and the person in your organization who is responsible for the project. State the primary beneficiaries and target audience of

the project.

Applicant ability. Describe your organization, its purpose, its goals, its experiences in creating similar projects, and its relevant accomplishments. If you wish, you may include a more detailed one-page description of your organization in your application. If you apply as an individual, please describe your professional experience and provide a short biographical note (maximum ten lines).

Problem statement and demonstration of need. Define the problem that you intend to address. Present evidence to discuss the reality and the size of the problem. Identify the regional benefits that will be a product of the project.

Goals and objectives. Develop broad goals for the project. With these goals in mind, develop realistic, measurable, and clearly stated objectives. Goals and objectives should be stated in such a way as to show how the project matches the initiatives of LGI.

Methodology. How will you accomplish your objectives? Please ensure that the reader will have a clear idea about what you will actually be doing during the duration of the project.

Policy studies, discussion papers, and teaching materials. What will be the output of your project? Who will benefit from it? How?

Additional information. Please provide any additional information that you feel is relevant to your request.

Please submit proposals with full contact information by post or e-mail to Juliet Gole and write "Proposal Submission" in the subject line of the e-mail message or on the envelope. ■

Regional Notes

The Pan-Europa Network

Starting in the fall of 1998, the University of Tartu's Department of Public Administration and Social Policy is a member of Pan-Europa, a network of the very best European graduate schools of public administration and policy. This program allows approximately five students from the master's programs, especially MPA programs, of participating institutions to spend one or two semesters at one of the other member institutions with full credit and at no extra cost.

Participants can defend their theses in front of an international jury or with international opponents,

and they will receive, in addition to their master's degree, the Pan-Europa Certificate in Graduate Studies of Comparative Public Administration and Policy.

The University of Tartu's public administration department has been able to attain the level of graduate studies required to receive this honor partly because of a grant from LGI to develop its MPA program. In addition, LGI has made the negotiations and meetings between the other institutions and the Pan-Europa board possible. Currently, some stipends to cover travel and lodging for Estonian students are available on a competitive basis through LGI. ■

Recent Publications

Kovacs, Petra. 1998. A Comparative Typology of Ethnic Relations in Central and Eastern Europe. Discussion Papers, No. 5, Local Government and Public Service Reform Initiative. Budapest: Local Government and Public Service Reform Initiative. Kovacs examines the state of ethnic relations throughout the region. She draws a number of important conclusions about the circumstances in which interethnic cooperation and conflict are likely to occur and the impact of modernization and transition on ethnicity.

The author proposes a means by which to systematize the enormous quantity of data available on ethnic identity and conflict in the region.

She establishes a three-step model: First, an index of ethnic climate is compiled. Second, a typology of ethnic relations by country for specific minorities is formulated. Third, the information gained from the first two steps is used to create subgroups depicting ethnic relations with similar micro and macro characteristics.

Using this model, she comes to some very interesting conclusions concerning ethnic climates in the region and produces substantial insight regarding cohesion, violence, and decentralization among many of the minority ethnic groups in each country and the hostility faced by many of these groups. ■

Inquiries regarding current grants and requests for LGI's proposal guidelines should be directed to:

The Local Government and Public Service Reform Initiative

P.O. Box 10/27, 1525 Budapest 114, Hungary

tel.: (36-1) 327-3104; fax: (36-1) 327-3105; e-mail: lgprog@osi.hu

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

All comments, submissions, and requests for subscriptions should be directed to:

Ms. Juliet Gole

e-mail: jgole@osi.hu

LGI Staff and Associates

Mr. Adrian Ionescu

Program Director

e-mail: aionescu@osi.hu

Current projects operating in Albania, Bulgaria, Kyrgyzstan, Moldova, Romania, and Russia; research deals with subnational governmental finance, fiscal decentralization, budgeting, and innovative practice systems.

Ms. Juliet Gole

Project Manager

e-mail: jgole@osi.hu

Current projects operating in Belarus, the Czech Republic, Estonia, Kazakhstan, Lithuania, and Ukraine; research deals with ethics, corruption, and social service delivery to the elderly.

Ms. Violetta Zentai

Project Manager

e-mail: vzentai@osi.hu

Current projects operating in Hungary, Macedonia, Poland, and Yugoslavia; research deals with multicultural and ethnic issues.

Ms. Masa Djordjevic

Summer Project Leader

e-mail: djordjevic@osi.hu

Research deals with urban development issues in Hungary and Poland.

Ms. Judit Benke

Program Assistant

e-mail: jbenke@osi.hu

Ms. Krisztina Zala

Executive Assistant to Mr. Ionescu

e-mail: kzala@osi.hu

Ms. Petra Kovacs

Research Associate

e-mail: kovacsp@osi.hu

Manages the project titled "Ethnic Conflicts, Multicultural Politics, and Local Governance."

Ms. Zsuzsanna Szotak

Consultant

e-mail: szotakz@ksg.harvard.edu

Manages LGI's publications.

Ms. Sharon Cooley

Consultant

e-mail: cooley@mri.hu

Manages the three-volume comparative local government project.

New to LGI

As of 15 November 1998, Mr. Adrian Evtuhovici will join LGI as a project manager. He will be responsible for countries of the former Soviet Union. His research will focus on local development.