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The Sociocultural and Economic Premises of Quality of Governance and Bureaucratic Efficiency in Central East European Regions in the Context of the EU

Abstract: The aim of this paper is to analyze the impact of historically shaped sociocultural factors and economic resources on the quality of governance and bureaucratic efficiency in Central East European regions. Eastern Europe's economic heritage is of greater significance for social capital than is affiliation with Catholic or Protestant cultural circles. The impact of individualism on the quality of governance is indirect. Individualism favors trust and self-organizing, and the rivalry and pressure of interest groups contributes to the quality of governance at the national and regional level. In EU regions as a whole, social capital is more important for the quality of governance and bureaucratic efficiency than GDP. In CEE regions, the administrative entities involved in spending EU funds work with greater efficiency than might be expected given the regions' low economic resources and social capital.

Keywords: social capital, public administration, individualism, quality of governance, bureaucratic efficiency

Goal, Method, and Main Databases

The aim of this paper is to analyze the impact of historically shaped sociocultural factors and economic resources (identified by GDP) on the quality of governance and bureaucratic efficiency in Central East European regions. Sociocultural factors will be described in the context of long-duration processes and the analysis will have two objectives: (1) detection of sociocultural differences in cross-sections of the East and West, and between Catholics and Protestants; (2) selection of sociocultural factors for research at the regional level. The analysis will show whether religious affiliation or the economic division initiated in the sixteenth century is more important for efficiency in governance.

The method is first to show statistical regularities in the relation between sociocultural factors and indices of governance on the EU scale and then to show these variables in East Central Europe in the context of the EU.

Quality of governance indicators were taken from the databases (EQI) of the Quality of Government Institute at the University of Gothenburg (QoG 2017). The indicators of bureaucratic efficiency come from cohesion-policy data adjusted by Adam Płoszaj (Płoszaj 2017). This data, with information about the GDP on a regional level, was combined with variables from the European Social Survey Round 6–8 (ESS Round 6–8 2016). The final file SPSS contains data for 178 EU regions (NUTS 2), 1,334 variables, and 111,230 observations. Analysis of the historical background of sociocultural factors was made on the basis of variables from the World Values Survey (Welzel 2018; Inglehart et al. 2014), restricted to EU countries. Quality of governance, GDP, and bureaucratic efficiency were measured on the regional level; other indicators were measured on the individual level.

Quality of Governance and Bureaucratic Efficiency Indices in EU Countries: Genesis and Profile

Studies on quality of governance began to be conducted in the 1990s by researchers connected with the World Bank. These studies can be seen as part of an extensive wave of inspiration that spilled over from business into management sciences related to public administration. The flow of management methods from business to public administration is nothing new. In countries where enterprise was more effective, more good practices flowed into public administration than in countries where enterprise was less effective, and this tended to perpetuate differences in organizational culture between countries (Cole, Pasquier 2012). In the present paper, the term "organizational culture" indicates the values and practices of people in organized structures of cooperation, economics, politics, administration, and so forth.

New Public Management, which was quite widely implemented in the USA and Europe, advocated the introduction of market mechanisms, the privatization of public services, and in particular, the use of numerical indices to measure the effectiveness of such services (McLaughlin, Osborne and Ferlie 2002; Swianiewicz 2015).

The focus of these inquiries—good governance—has been defined as the possession of impartial government institutions that exercise (perform, realize, implement) public power (Rothstein 2013: 54). In order to measure these phenomena, the Worldwide Governance Indicator was constructed. This quality-of-governance index was made from a synthesis of indicators of civil liberty, political stability, quality of regulation, quality of government and public services, the rule of law, and levels of corruption (Kaufmann, Kraay and Mastruzzi 2010: 3 et seq.).

The published findings met with great interest but also with some criticism regarding the comparability of numerical evaluations from different sources and consequently the accuracy of the WGI in measuring quality of governance (Thomas 2010). Some authors drew attention to the ideological predilection of the index, which laid too much emphasis on questions of economic growth and the interests of the international elite at the expense of other people's quality of life (Kurtz, Schrank 2007).

A successful attempt at further perfecting the quality of governance indicator was made by Nicolas Charron, who analyzed the statistical elements of the index for internal compatibility and accuracy, using samples from 27 EU countries. The new index was referred to as the European Index of Quality of Government (ICRG QoG).

Later studies using the ICRG QoG index combined the dimensions of corruption, law and order, and bureaucratic efficiency (Dahlberg et al. 2018: 109; Teorell et al. 2018). The considerable cognitive and heuristic value of the findings was a further incentive to work on applying the indicator in studies of European regions. The new indicator was called the EQI (European Quality of Government Index). The task of the index was, among other things, to provide knowledge on the quality of governance in regions in such a way that the findings would be wholly comparable with information obtained using the QoG index (Charron, Lapuente 2018: 6). The basis for constructing the index was people's opinions on the means and quality of public services.

The use of such information to improve management methods is of major significance, as is shown by the experiments of American enterprises, among other entities. Analyses have revealed that the connection between profit and quality-improvement programs could be identified using well-programmed research into customer expectations regarding the features of a product or service and their satisfaction from having their expectations met (based on Hryniewicz 2000). These analyses showed how much customer behavior and the behavior of people evaluating governments or local authorities have in common. As in the case of firms, administrative activities should be subject to the verdict of public opinion.

The European Quality of Government Index (the EQI) was a response to these expectations. The index measures the delivery of public services in the areas of education, the health service, and law enforcement in terms of fairness, corruption, and quality (based on Charron, Dijkstra, Lapuente 2014; Charron, Lapuente 2018: 12). The survey findings are aggregated on a NUTS 2 regional level. The EQI addresses the delivery of public services to people in their place of residence, irrespective of whether the given public service is provided by the central government or a local authority. The 2017 survey includes all the NUTS 2 European regions, and in each region at least 400 responses were obtained. The EU15 regions show a decidedly higher quality of governance than the Eastern European regions (the EU11). The greatest differences within a country were recorded in Italy and Bulgaria (Charron, Dijkstra, Lapuente 2014).

We can assume that the EQI shows how administrative resources (material and personal) and efficiency factors (the same as measured by the ICRG QoG) affect the quantity and quality of the services delivered. Quality and quantity depend not only on organization but also on resources as well. Therefore, the EQI score equals resources plus organizational capacity. As other authors have done, (Ţigănaşu, Încalţărău, Pascariu 2018), we can assume that on the regional level bureaucratic efficiency can be measured by the absorption of EU funds as a percentage of the total allocated funds, calculated to the end of 2014. The index of bureaucratic efficiency (the share of EU funds expended) and the EQI are highly correlated, (0.577—own calculations based on Płoszaj 2017), which means they measure very similar phenomena.

Research Questions

In order to better describe the issues of quality of governance and bureaucratic efficiency, it is necessary to look anew at administrative institutions. They should be defined as organizations in the sense adopted by management studies. We are interested in public administration units that are clearly distinct from their surroundings: internally structured wholes processing resources into the means of meeting the needs of the population. Their effectiveness in processing resources to serve the public is determined by their bureaucratic efficiency. This category is one dimension of the ICRG QoG index. Therefore, the ICRG QoG can be considered a synthesis of the above-mentioned factors, which reflect efficiency on the national level. For instance, the greater the quality of the administrative organizational structures (measured by ICRG QoG), the greater the utility of the investments they make (Smeriglio et al. 2015: 9–13).

Unfortunately, the available data is not strictly relevant to the aim of this research, because the ICRG QoG was not calculated at the regional level. As other authors have done, (Ţigănaşu, Încalţărău, Pascariu 2018), we assume that on the regional level bureaucratic efficiency can be measured by the absorption of EU funds as a percentage of total allocated funds. Nevertheless, administrative efficiency depends of the size of the available economic resources, which can be identified by GDP and spending on public services.

The effectiveness of public administration is a corollary of formal and informal organizational practices. Studies on the history of public administration in different countries show diversified structures and aims in relation to traditions, beliefs, leading ideas, and specific local challenges (Bevir, Rhodes, Weller 2003), including multicultural environments (Alkadry 2015). Studies on quality of governance in Europe have shown that the differences can be attributed to historical tendencies stretching back to the seventeenth to nineteenth centuries, and to the promotion of clientelism, which is the main factor lowering the quality of governance (Charron, Lapuente 2013). The significance of long-term national cultural processes in shaping national public administration models is shown by comparative studies of 28 EU countries (Thijs, Hammerschmid, Palaric 2017).

Historical studies have shown that individualism has been an important element in the long-term socioeconomic development of Europe (Hryniewicz 2015: 62 et seq.). Levis Davis's study (based on data from 90 countries) shows that individual responsibility has a positive effect on institutional quality and economic development measured as per capita income (Davis 2016). Countries with a more individualist culture have more innovation, higher productivity, and higher long-term growth than countries with a more collectivist culture (Gorodnichenko and Roland 2011). Moreover, Paul Herbig and Steve Dunphy's research shows that cultures that emphasize individualism and freedom are more creative and achieve greater benefits from innovative concepts (Herbig, Dunphy 1998).

Putnam's studies show that the effectiveness of public administration is strongly correlated with broad supra-familial social mobilization (groups formed by people from many different families), and that the seeds of a culture fostering social mobilization appeared in medieval times (Putnam 1995). Social mobilization involves voluntary organizations, political parties, local media, trust in other people and institutions, engagement in public affairs, open intellectual attitudes, and the ability to cooperate. In describing this phenomenon the term "social capital" is used (Putnam 1995; Fukuyama 1997). On the basis of these studies we can reconstruct a theory of social capital that says that social self-organization encourages economic development and democracy. The use of the term "social capital" in studies on public administration is recommended as a tool for ordering data from a variety of national and cultural contexts, as well as for explaining how these contexts relate to the work accomplished by the institutions concerned (Laurence, O'Toole, Meier 2015).

Social capital is a broad term encompassing many different phenomena. For instance, in one study of CEE countries, social capital was identified as trust in institutions and other people, as well condemnation of bribery and the fraudulent claiming of benefits (Major 2012: 49 et seq.). How does individualism influence social capital?

Let us now look at the relationship between individualism and elements of social capital.

Individualism consists in giving priority to personal commitments over the commitments resulting from membership in a group.

In collectivist cultures people exhibit an internalized solidarity with their own group, overriding all individual commitments. Collectivism is a matter of degree, though. The kind of generic collectivism typical of traditional societies has a wider quantitative range and encompasses numerous families with common ancestors. In modern times, we come across family-friend collectivism in which the core is the family and circle of closest friends.

Why is there a low level of trust in collectivist societies? The larger the group to which person A belongs, the more dynamic are the interests within that group and the greater the variability of expectations regarding person A. Moreover, along with the size of groups to which person A and B belong, the probability of conflict between any member of group A or group B can also be seen to grow. The enmity of any given member of group A with a member of group B obliges of all members of group A to show solidarity and therefore animosity toward all members of group B, and vice versa. As a result, in ancestral communities, trust in people from other ancestral groups is incidental, while in family-friend communities it is very low. It sometimes happens that observers of Eastern European public sectors, which record low levels of cooperation, write about individualism, while in reality this lack of cooperation ensues from the chaos of everyday life resulting from adherence to one's own group and mistrust of all who do not belong to it.

The studies so far suggest that regions with higher quality of governance have higher levels of social trust (Charron, Dijkstra, Lapuente 2014). Social capital, identified as trust in institutions and other people, as well condemnation of bribery and the fraudulent claiming of benefits, is plainly lower in Central and Eastern European countries than in Western Europe. (Major 2012: 149 et seq.). An empirical study of social capital, which contained 68 potential items and was based on factor analysis, proved that the elements best identified by this term were community participation, the capacity of the individual to plan and initiate actions, and trust (Onyx and Bullen 2000). In the present paper, the term social capital will refer to participation in nongovernment organizations, (active membership in an NGO—based on ESS Round 6–8 data), interest in politics (or confidence in one's own ability to participate in politics—based on ESS Round 6–8 data), and trust in institutions and other people.

The above discussion leads to the following research questions: (1) In what way has history shaped individualism and the elements of social capital in CEE countries? (2) In what way have economic resources, individualism, and elements of social capital influenced the quality of governance (EQI)? (3) What is the situation of East Central Europe in regard to quality of governance, bureaucratic efficiency, and elements of social capital in the context of the EU?

An Indicator of Public Administration Resources

Let us look at correlations between GDP, government expenditure, and spending on basic public services. Spending is an indicator of administration resources in the context of a given public service.

Table 1

GDP per capita and spending on public services in EU28. Pearson correlation coefficients

	Government expenditure in euros per capita
National GDP in market prices in euros per capita	0.974**
Public expenditure on education in euros per capita	0.905**
Public expenditure on health protection in euros per capita	0.931**

** Correlation significant at a level of 0.01 (two-way).

Source: own calculations based on QoG Data Set (Teorell et al. 2018).

The greater the GDP per capita the greater the government expenditure and the greater the expenditure on public services per capita. The correlations are close to unity. GDP is a very good indicator of the resources available to public administration at the national and regional levels.

What is the Importance of Dividing Europe into East and West in the Context of Research on Social Capital?

The place of Central and Eastern European countries on the cultural map of Europe is a synthesis of two long-term processes. The first of these, beginning in the sixteenth century, was the division of Europe into two cultural circles: Protestant and Catholic. Previously, in the eleventh century, the Orthodox culture emerged as a distinct grouping. (Owing to a lack of data concerning the latter group of countries, this division will not be explored in the course of further analyses).

One of the most important factors distinguishing Catholic and Protestant Europe is the contrast between Catholic collectivism and Protestant individualism (based on Hryniewicz 2015: 90 et seq.). Let us suppose that individualism is a value which determines what is good and bad in contacts with other people. In large-scale international research, individualism is defined in terms of personal autonomy and measured by parental values (Inglehart 2018: 51 et seq.). (Parents want what is best for their children and want to convey to them those values they consider best). For the purpose of further analyses we will take the indicators of individualism to be autonomy or the desire to convey to one's children values such as independence, determination, and perseverance, along with a rejection of obedience and conformity to religious beliefs. The second indicator of individualism is acceptance of the freedom to make one's own life choices, and tolerance of differences. We use the variables defined and ranked by Christian Welzel on the basis of World Value Survey data (Welzel 2013: 66–69).

Table 2

Average values of individualism indicators (freedom of choice and autonomy as a parental value) among Protestants and Catholics in European countries participating in the 6th h edition of the WVS. Scale 0–1

	Individualism as autonomy	Freedom of choice and tolerance of difference
Protestants	0.73	0.57
Catholics	0.37	0.47

Source: Own calculations based on datasets from the 6th edition of the World Value Survey (Welzel 2018).

The information in the table below shows that historical cultural divisions still hold—individualism is visibly more widespread in Protestant environments than in Catholic areas.

The second long-term process shaping Europe began alongside the economic developments that followed from the Protestant ethic and the "spirit of individualism." The Protestant ethic favored the spread of pro-capitalist cultural models (Weber 1984 and 1994). As a result, in Holland and England in the sixteenth century, and later in other countries of Western Europe, capitalist institutions became widespread. At the same time, the lands to the east of the Elbe had a manorial economy. Capitalism was brought to Central and Eastern Europe by means of cultural import, that is, Central and Eastern Europe copied and adapted to their own conditions the techniques, management methods, models of behavior, regulations, and value systems of the West.

Analysis of common traits in Eastern European organizational culture in terms of the models inherited from the manorial economy is complicated by the fact that some societies belong to the Byzantine cultural group. For some researchers (e.g., Huntington 1997), the boundary between peoples of the Catholic and Orthodox religions equally marks a civilizational boundary. In the opinion of some Hungarian researchers, there is a noticeable difference between the Byzantine and the "Westernized" parts of the Eastern European economic group (Konrad, Szelenyi 1979). According to this diagnosis, the eastern part includes Russia, Romania, Serbia, and Bulgaria, while the western part is formed by Eastern Germany, the Czech Republic, Slovakia, Hungary, Poland, and the Baltic countries. Despite these differences, the centuries-old positioning on the periphery of the European economy has encouraged the assimilation and consolidation of similar economic institutions, interests, and behavior. The specificity of Central and Eastern European countries lies in the fact that their economics and political institutions were modified by over forty years of communist organizational models. Nonetheless, strong ties to the past are still visible (Wittenberg 2015).

In consequence, neo-manorial models of behavior, such as a low level of individualism and lack of trust and cooperation, are still evident in the organizational behavior and practices of Central and Eastern European countries (based on Hryniewicz 2015: 89 et seq.). Elements of this model will be explored in subsequent parts of the paper.

Let us look at the level of individualism in a selected group of countries.

As we can see, the inhabitants of Eastern parts of the EU show a visibly lower level of individualism.

Let us now turn to how belonging to the Catholic cultural circle and Eastern European economic group influences the creation of social capital in European nations taking part in the 6th edition of the World Value Survey.

Table 3

Average values of individualism indicators (freedom of choice and autonomy as parental values)

	Individualism as a desirable parental value. Scale min. –0, max. 1.	
	Individualism as autonomy	Individualism as freedom of choice
Western EU countries: the Netherlands, Sweden, West Germany	0.69	0.73
Central and Eastern EU countries: Estonia, Poland, Romania, Slovenia	0.32	0.39

Source: Own calculations based on: World Value Survey 6th edition (Welzel 2018 and Inglehart et al. 2014).

Table 4

Social capital measured by membership in NGOs (dependent variable) and religious affiliation, as well as Central Eastern Europeanism (Scale 1—CEE, 0—other countries). Pearson coefficients

Inhabitants of Estonia, Poland, Romania, Slovenia	Catholics	Protestants	Orthodox
–023*	0.083**	0.223**	–0.071**

* Correlation significant on a level of 0.05 (two-way).
** Correlation significant on a level of 0.01 (two-way).

Source: Own calculations based on datasets from the World Value Survey 6th edition (Inglehart et al. 2014) as well as QoG datasets (Teorell et al. 2018).

The most favorable conditions for creating social capital appear in Protestant environments; the least favorable situation is in Orthodox environments. Eastern Europeanism is more strongly associated with low membership in NGOs than is affiliation with Catholic cultural circles. Among Protestants residing in the countries shown in the table, the index of membership in NGOs is 1.5 per capita, while among Protestants inhabiting Western European countries, the level is nearly twice as high at 2.9. Among "Eastern" Catholics, the coefficient is 1.2, while among "Western" Catholics, 2.1. Meanwhile, the level of trust toward other people among "Eastern" Catholics is 20.4%, while among "Western" Catholics it is 68.8% (own calculations based on Inglehart et al. 2014). Conclusions: (1) people in East European countries are less individualistic than in the other countries observed; (2) social capital in CEE countries is relatively low; (3) the Eastern European economic heritage of the CEE countries is of greater significance than affiliation with Catholic cultural circles.

In What Way Do Economic Resources, Individualism, and Elements of Social Capital Influence the Quality of Governance and Bureaucratic Efficiency?

Management by administrative organizations is specific in that they are not affected by market pressures. Does this mean that public administration organizations receive no outside stimuli urging them toward more effective performance? The stimulating element for enterprises is market competition; for administrations it is wide social self-organization.

Social self-organization (mobilization) is not only about belonging to associations and taking part in demonstrations or signing petitions. It is also about wide participation in public life and about showing interest in and support for political projects based on rational and ethical motivations. The level of self-organization in NGOs (nongovernment organizations) depends on whether people are convinced that the institutional framework is favorable enough to make an individual or group effort to bring about desired changes worthwhile.

A large number of NGOs, fairly strong political parties, and a free media create an atmosphere of "lasting critical analysis." In contrast to administrations, parties and NGOs may criticize government moves, while government supporters may defend them. In consequence, democratic administrative authorities find themselves under constant pressure, which forces them to seek effective management methods.

The next two tables illustrate how quality of governance (EQI) and bureaucratic efficiency are explained by social capital and GDP in EU NUTS 2 regions. Model 1 measures the impact of GDP; model 2 contains solely social-capital indicators, and model 3 contains all the determinants of EQI.

Table 5

Models of regression standardized. Dependent variable—quality of governance (EQI) in EU NUTS 2 regions

Variables aggregated on the NUTS 2 regional level	Model 1		Model 2		Model 3	
	Standardized coefficients beta	Significance	Standardized coefficients beta	Significance	Standardized coefficients beta	Significance
Trust in people and institutions (parliament, law, police, politicians, parties)			0.454	<0.001	0.443	<0.001
Active membership in NGOs			0.140	0.11	0.130	0.18
Confidence in one's own ability to participate in politics			0.399	<0.001	0.406	<0.001
GDP (PPS per inhabitant) by NUTS 2 regions	0.362	<0.001			0.027	0.529
R squared adjusted*100%	13.2		76.4		75.8	

Sources: own calculations based on combined datasets from the (ESS round 6–8) (Eurostat—regions 2019; Charron et al. 2019).

GDP (model 1) explains 13.2% of dependent variable variance, while social capital (model 2) explains 76%. The impact of sociocultural factors (social capital) on quality of governance (EQI) is much greater than the impact of GDP. The elements of social capital offering the best explanation of EQI are trust and confidence in one's own ability to participate in politics.

Explanation of bureaucratic efficiency is relatively less satisfactory. Only two results have obtained significance on at least the 5% level. One element of social capital—trust—is a better predictor of bureaucratic efficiency than GDP.

Table 6

Models of regression standardized. Dependent variable—bureaucratic efficiency in EU NUTS 2 regions

Variables aggregated on the NUTS 2 regional level	Model 1		Model 2		Model 3	
	Standardized coefficients beta	Significance	Standardized coefficients beta	Significance	Standardized coefficients beta	Significance
Trust in people and institutions (parliament, law, police, politicians, parties)			0.247	0.022	0.259	0.021
Active membership in NGOs			0.127	0.207	0.144	0.148
Confidence in one's own ability to participate in politics			0.125	0.162	0.120	0.180
GDP (PPS per inhabitant) by NUTS 2 regions	0.163	0.030			0.032	0.676
R squared adjusted*100%	2.7		19.4		20.1	

Sources: own calculations based on combined datasets from the (ESS round 6–8) (Płoszaj 2017; Eurostat—regions 2019).

In both cases (EQI and bureaucratic efficiency), social capital plays the main role. This is because—as with any organization—the behavior of staff in public administrations is linked not only to resources but also to the sociocultural and political context in which the administration operates (see the part *Premises of Unexpected High Bureaucratic Efficiency in CEE regions*).

Let us look at the relation between individualism and indicators of social capital.

Table 7

The relation between individualism (autonomy) and the independence of the individual from state intervention in personal, political, and economic life, and membership in NGOs, interest in politics, and the wide competition of interest groups. Pearson's correlation coefficient

	Membership of NGOs	Interest in politics	Trust in other people
Individualism as autonomy	0.348**	0.479**	0.661**

** Correlation significant at a level of 0.01 (two-way).

Source: Own calculations based on datasets of the World Value Survey 6th edition (Welzel 2018; Inglehart et al. 2014) as well as QoG datasets (Teorell et al. 2018).

To avoid ambiguities it should be considered that the relation between individualism and quality of governance is indirect. First, individualism favors trust and self-organizing, and second, rivalry and the pressure of numerous interest groups stimulate a better quality of governance.

Conclusions: (1) The impact of individualism on the quality of governance is indirect. Individualism favors trust and self-organizing, and the rivalry and pressure of numerous interest groups stimulates a better quality of governance at the national and regional level. (2) Certain elements of social capital give a better explanation of quality of governance and bureaucratic efficiency than GDP.

What is the Situation of East Central Europe in Regard to Quality of Governance, Bureaucratic Efficiency, and Social Capital in the Context of the EU?

The table below shows the position of CEE countries in terms of GDP, social capital, and governance indicators.

Table 8

Resources of public administration identified by GDP, quality of governance, bureaucratic efficiency and EU resources in EU28 and Central East Europe

	Resources of public administration identified by GDP (PPS per inhabitant in thousand euro) in NUTS 2 regions	Trust in people and institutions (normalized 0–100)	Active membership in NGOs (normalized 0–100)	EQI. Regional NUTS 2 level (normalized 0–100)	Bureaucratic efficiency in %. Regional NUTS 2 level)	Allocation of EU resources in NUTS 2 regions. Euro per capita
EU	32	45	10	56	77	764
Central East Europe	24	40	3	39	76	1604
Non CEE EU countries	36	48	13	64	77	472

Source: Own calculations based on: (Eurostat—Regions 2019; Teorell et al. 2018), Quality of Government & Cohesion Policy Database (Płoszaj 2017) (ESS Round 6–8).

The huge difference in GDP per capita between CEE countries and the rest of the EU corresponds with differences in the quality of governance and social capital, especially in the case of active membership in NGOs. Bureaucratic efficiency is a special case. Although European funds per capita in the regions of Central and Eastern Europe were much greater than in Western Europe, the bureaucratic efficiency of the regions of Central and Eastern Europe was the same as in Western Europe. This means that in CEE countries there is a dualism to the functioning of public administration. On the one hand, we have "normal functioning" according to economic resources and social capital (low GDP per capita coexists with relatively low social capital and low quality of governance on the regional level), but on the other hand, the part of the administration that is involved in spending EU funds works with greater efficiency than might be expected on the basis of local social capital and economic resources.

Reasons for the Unexpectedly High Bureaucratic Efficiency in CEE Regions

Compared with Western regions, the inflow of EU funds to CEE regions required huge changes and adjustments. The potential of the public administration in Central and Eastern European nations to implement cohesion policy effectively was a major element in evaluating a given country during accession negotiations. A good illustration of the long-term impact of cohesion policy on improving the management methods of public administration is given by studies on the conformity of Central and Eastern European countries to accession requirements. The PHARE program, launched in 1989, provided plentiful information on the necessary directions for improvement, which were contained in two European Commission reports in 1997 and 1989 (Smeriglio et al. 2015: 17–19) The most important areas for improvement were bureaucratic efficiency and state decentralization; the role of lower levels of public administration also required strengthening.

It has been suggested that this development represented the growing Europeanization of CEE politics, in particular the role of the European Union. Research in Poland, the Czech Republic, and Slovakia questions this view by examining the crucial role of domestic party politics in the enactment and implementation of regional governance reform (O'Dwyer 2006).

At the beginning of the twenty-first century, politicians and the media used patriotic symbols to stimulate national aspirations and ambitions. A kind of social movement emerged that brought together regional and local elites, NGOs, politicians, local media, and public opinion. Effective spending of EU funds was treated as a national exam and patriotic duty. Consequently, a huge number of adaptations, investments, and programs were realized.

From the viewpoint of Central and Eastern European countries, cohesion policy is not only a source of money but also of new methods of management, models for legal regulation, organizational structures, and the ideas behind them. It could be said that this improvement in bureaucratic efficiency has not only resulted from better provision but also from cultural changes (in terms of organizational culture). Later studies on public administration in Poland, the Czech Republic, and Slovakia showed that the norms, initiatives, and ideas accompanying the implementation of cohesion policy became deeply embedded in the identity and procedural strategy of regional civil servants. Regional actors use EU funds to improve their position in relation to the central government (Scherpereel 2010).

Studies on the role of administration in implementing cohesion policy in Central and Eastern European countries show that administrative efficiency grew faster than many commentators anticipated (Bachtler, Mendez and Oraže 2012). For instance, in Poland, accession was preceded by a large-scale mobilization not only of regional elites but also of elites at the municipal level (*gminy*). They realized the necessity of adapting local council functioning to the management of EU funds. In municipalities (*gminy*) and cities, new management methods such as project management, quality control, complex feasibility studies, and so forth were introduced (Wojtowicz, Paciorek 2012; Celińska-Janowicz et al. 2010: 150–160).

The factors producing the unexpectedly high bureaucratic efficiency of CEE regions werepolitical parties, the motivations of administrators, and the mobilization of local and regional elites at a time when there was still low social capital.

Discussion

The analysis showed that in Central East Europe a low level of economic resources and social capital coexist with a low quality of governance and dualism in the activities of public administration. This state of affairs may be a consequence of several factors. The post-communist transformation has still not ended and its speed varies in different territories, but this premise is rather weak. Center-periphery theory offers a better explanation. The most important feature of the "center" (the core) is the internal integration of institutions, ideas, and values (Weaver 1996: 8 and 59 et seq.). Within the capitalist division of labor we can distinguish core and peripheral production processes. The creation of leading products is concentrated in the core nations, which, with the help of administrative tools (e.g., patenting, subsidies, and tax allowances) enable firms to attain a quasi-monopoly status over importers in peripheral and semi-peripheral nations (Wallerstein 2007: 47–49). The historical center of modern capitalism is a place where institutions, cultural patterns, and values are relatively integrated in line with the logic of the market economy. The periphery and semi-periphery are places which lack such integration, as for example in Central East Europe.

The concept of imitative development offers a similar explanation. The post-1990 transformation was a project requiring adoption of foreign technology, laws, and culture (Krastev, Holmes 2018). Differences in the implementation of these models led to disparities in economies, institutions, and attitudes—to Westernized islands in traditional settings. In Central East Europe these processes are a synthesis of "imported models," imposed solutions, and continuity. As a result, social theories based on research in the central countries will have a somewhat different application in the semi-peripheral countries.

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