

# Establishment and Termination of Departmental Organization – Application Practice in Slovakia under the Conditions of the Ministry of Education

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## Abstract

Budgetary and contributory organizations represent a stable element of public administration organizations in the Slovak Republic. A similar type of organization is also known in the legal regulations of European countries, or countries around the world, most often under the term government agencies. The legal regulation of budgetary and contributory organizations is important from the point of view of their competencies regulation since on the one hand their activities impact a wide spectrum of the users of their services and on the other hand, they are financed from public sources. The aim of the study is to clarify the legal framework for the establishment and termination of these organizations and the application practice in this area under the conditions of Slovak legislation within the competencies of the Ministry of Education, Science, Research, and Sport of the Slovak Republic. Within the research, methods of analysis, synthesis, comparison, and other scientific methods were used. The starting data to analyze are valid regulations in the Slovak Republic, internal legislation of the Ministry of Education, scientific studies, and foreign legislation to regulate the issue abroad. The study provides a basic regulation of the establishment and termination of budgetary and contributory organizations within legal conditions in the Slovak Republic and an overview of the implemented changes in the structure of departmental organizations within application practice in the education sector.

**Keywords:** government agency, budgetary organization, contributory organization, establishment, termination.

**JEL Classification:** K20, K23

## 1. Introduction

Budgetary and contributory organizations represent a stable element of public administration organizations in the Slovak Republic. A similar type of organization is also known in the legal regulations of European countries<sup>3</sup>, the USA<sup>4</sup>, or countries around the world<sup>5</sup>, most often under the term government agencies.

Since the 1980s, governments around the world have created a large number of semi-autonomous agencies. Semi-autonomous agencies operate independently of government; they perform public tasks such as regulation, service delivery and policy implementation. Compared to government bureaucracies, agencies face less hierarchical and political influence on their day-to-day operations and have greater managerial freedom.<sup>6</sup>

The legal regulation of budgetary and contributory organizations is important from the point of view of their competencies regulation since on the one hand their activities impact a wide spectrum of the users of their services<sup>7</sup> and on the other hand, they are financed from public sources, which

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<sup>3</sup> Greve, C. (2000): *Exploring contracts as reinvented institutions in the Danish public sector*. Public Administration, 78(1), 153–164. <https://doi.org/10.1111/1467-9299.00197>.

<sup>4</sup> Kerwin, C.M., & Furlong, S.R. (2019). *Rulemaking: How Government Agencies Write Law and Make Policy*. 5th edition. 304 p. ISBN 9781544352107.

<sup>5</sup> Verhoest, K., Van Thiel, S., Bouckaert, G., Laegreid, P. (2012) *Government Agencies. Public Sector Organizations. Practices and Lessons from 30 Countries*. Palgrave Macmillan, London. <https://doi.org/10.1057/9780230359512>.

<sup>6</sup> Van Thiel, S. (2012): *Comparing Agencies across Countries*. In: Verhoest, K., Van Thiel, S., Bouckaert, G., Lægreid, P. (eds) *Government Agencies. Public Sector Organizations*. Palgrave Macmillan, London. [https://doi.org/10.1057/9780230359512\\_2](https://doi.org/10.1057/9780230359512_2).

<sup>7</sup> Stoličná, Z., Barjaková, J. (2021). *The Possibilities of the Optimization of Managing Organizations of Education Sector*. In: Bilgin, M.H., Danis, H., Demir, E., Karabulut, G. (eds) *Eurasian Business and Economics Perspectives*. Eurasian Studies in Business and Economics, vol 20. Springer, Cham. [https://doi.org/10.1007/978-3-030-85304-4\\_6](https://doi.org/10.1007/978-3-030-85304-4_6).

also requires the introduction of control mechanisms<sup>8</sup>.

The instruments and mechanisms of political control that actually work/are used differ from those that are legislated and institutionalized<sup>9</sup>, and related to this is the question of which policy-related tasks agencies perform and how they are involved in policy-making.<sup>10</sup>

As part of the exploration of the legal regulation of this type of organization, it is necessary to take into account the new normative organizational theory<sup>11</sup>, the efficiency and economy of government agencies<sup>12</sup>, financial management and budgetary control<sup>13</sup>, institutional measures<sup>14</sup>, legal procedures in the regulation of relations between them and the central administration<sup>15</sup>, relations between the organization and the ministry<sup>16</sup>. The theoretical starting point for the relationship between the organization and the ministry is agency theory and stewardship theory.<sup>17</sup>

Valdés<sup>18</sup> brings a link between political pressure and the establishment of organizations and shows that even when politicians formally control the process of establishing government agencies, the result is diverse organizational forms within particular departments.

Some authors examine the absence of a certain type of organization according to the focus that they recommend establishing as a government agency, such as in Iran<sup>19</sup>, Turkey<sup>20</sup>, or Indonesia<sup>21</sup>. The establishment of an agency is possible for the performance of various tasks<sup>22</sup> with political impact. The role of agencies is often seen as an important determinant of agency design, autonomy, governance and control. Formal autonomy and budget are more crucial than tasks in explaining agency autonomy and control.<sup>23</sup>

The public of the organization are likely to have important implications for organizational termination<sup>24</sup>, while organizations with greater political control<sup>25</sup> may be less susceptible to termination due to greater government commitment to their survival than their minority and more

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<sup>8</sup> Öberg S. A., Wockelberg, H. (2021): *Agency control or autonomy? Government steering of Swedish government agencies 2003–2017*, In: International Public Management Journal, 24:3, 330-349, DOI: 10.1080/10967494.2020.1799889.

<sup>9</sup> Hajnal, G. (2011). *Organizational autonomy and political control of Hungarian government agencies*. EGPA Annual Conference Sept. 7-9 2011, Bucharest, Romania. Accessed: 6 November 2023. <https://www.researchgate.net/profile/Hajnal-Gyorgy/publication>.

<sup>10</sup> Bach, T., Niklasson, B., Painter, M. (2012): *The role of agencies in policy-making*, In: Policy and Society. Volume 31, Issue 3, 2012, Pages 183-193, ISSN 1449-4035, <https://doi.org/10.1016/j.polsoc.2012.07.001>.

<sup>11</sup> Christensen, T.; Laegreid, P.; Rovik, K.A. (2020): *Organization Theory and the Public Sector: Instrument, Culture and Myth*. 2nd edition. London: Routledge. 220 p. ISBN 9780367855772. Available at: <https://doi.org/10.4324/9780367855772>.

<sup>12</sup> Selase, A. E. Comparative Study of Managerial Effectiveness on the Principles of Public and Private Enterprises. In: *Asian Research Journal of Arts & Social Sciences* .2018. 7(3):1 – 12. ISSN: 2456-4761. DOI: 10.9734/ARJASS/2018/43144.

<sup>13</sup> Moh R.; Tarjo, A. A.; Anggono, A. (2020): *Dilemma between Fraud and Tax Compliance at Government Agencies*. In International Colloquium Forensics Accounting and Governance. Vol 1, No 1 (2020), eISSN: 2797-2682.

<sup>14</sup> Reschenthaler, G. (1998). *Public management and the learning organization*. In: International Public Management Journal. 1998. 1(1), 59–106 s. [http://dx.doi.org/10.1016/s1096-7494\(99\)80086-5](http://dx.doi.org/10.1016/s1096-7494(99)80086-5).

<sup>15</sup> Rochet, C. (2002). *Are Government Agencies a Good Way of Combining Entrepreneurial Dynamism and Public Policy? The Case of National Public Establishments in France* (November 15, 2002). Retrieved 15.08.2023. Available at SSRN: <https://ssrn.com/abstract=371460>.

<sup>16</sup> Bjurström, K. H. (2020). *Principal-Agent or Principal-Steward: How Ministry-Agency Relations Condition the Impact of Performance Management in the Steering of Government Agencies*, Public Performance & Management Review, 43:5, 1053-1077, DOI: 10.1080/15309576.2020.1739087.

<sup>17</sup> Schillemans, T.; Bjurström, K. H. (2020). Trust and verification: balancing agency and stewardship theory in the governance of agencies, International Public Management Journal, 23:5, 650-676, DOI: 10.1080/10967494.2018.1553807.

<sup>18</sup> Valdés, Ch. B. (2011). *Political Struggles and the Forging of Autonomous Government Agencies*. Springer, Palgrave Macmillan London. ISBN 978-0-230-30795-7. DOI: <https://doi.org/10.1057/9780230307957>. 255 p.

<sup>19</sup> Wege, C. A. (2015). Iran's Intelligence Establishment. *Journal of US Intelligence Studies*, 21(2).

<sup>20</sup> Coskun, Y. (2011). The Establishment of the Real Estate Regulation and Supervision Agency of Turkey (RERSAT) (June 29, 2011). Housing Finance International, Vol. 25, No. 4, pp. 42-51, 2011, Available at SSRN: <https://ssrn.com/abstract=1874648>.

<sup>21</sup> Mulyadi & Rahayu, D. (2018). "Indonesia National Cybersecurity Review: Before and After Establishment National Cyber and Crypto Agency (BSSN)," 2018 6<sup>th</sup> International Conference on Cyber and IT Service Management (CITSM), Parapat, Indonesia, 2018, pp. 1-6, doi: 10.1109/CITSM.2018.8674265.

<sup>22</sup> Miller, G. P. (1986). Independent agencies. *The Supreme Court Review*, 1986, 41-97.

<sup>23</sup> Van Thiel, S., & Yesilkagit, K. (2014). Does task matter? The effect of task on the establishment, autonomy and control of semi-autonomous agencies. *International review of administrative sciences*, 80(2), 318-340.

<sup>24</sup> Pennings, J. M., Lee, K., & Wittellstuijn, A. V. (1998). Human capital, social capital, and firm dissolution. *Academy of management Journal*, 41(4), 425-440.

<sup>25</sup> Barouth, N. G. (2010). The strange case of the disappearing special districts: Toward a theory of dissolution. *The American Review of Public Administration*, 40(5), 568-592.

politically autonomous counterparts<sup>26</sup>. The cancellation of the organization<sup>27</sup> can also result from a change in policy<sup>28</sup>, the so-called rationalization<sup>29</sup>; important in this phase is the selection of decision-makers with competences suitable for the given phase of the organization's life cycle<sup>30</sup>, with the fact that the cancellation of the organization can always bring controversy<sup>31</sup>. It is important to discuss the implications of closing down agencies and the design implications for public sector reformers<sup>32</sup>. Agency size is generally assumed to be positively correlated with survival: the larger the agency, the less likely it is to be terminated. However, recent research has found very little effect of size on survival, with adaptation and reputation being critical to the survival of government agencies<sup>33</sup>. These organizations can terminate in several ways, but they can also be transformed or reorganized.<sup>34</sup>

The aim of the study is to clarify the legal framework for the establishment and termination of departmental organizations and the application practice in this area under the conditions of Slovak legislation within the competences of the Ministry of Education, Science, Research and Sport of the Slovak Republic.

The methodology is based on the analysis of relevant legal regulations in the Slovak legislation on the establishment and termination or cancellation of budgetary and contributory organizations. Firstly, we deal with the legal framework for establishing departmental organizations, while the procedure is different for organizations established by law and by the decision of the founder.

Furthermore, we deal with currently established organizations under the competencies of the Ministry of Education. In the next part, we focus on the legal framework of the reorganization, or termination of organizations. In the last part, we examine the application of the legislation in practice when analyzing the process of establishing, merging or terminating of departmental organizations during the years 2014 to 2023 and provide an overview of changes in the structure of organizations.

Within the research, methods of analysis, synthesis, comparison, and other scientific methods were used. The starting data to analyze are valid regulations in the Slovak Republic, internal legislation of the Ministry of Education, scientific studies, and foreign legislation to regulate the issue abroad. The study provides a basic regulation of the establishment and termination of budgetary and contributory organizations within legal conditions in the Slovak Republic and an overview of the implemented changes in the structure of departmental organizations within application practice in the education sector.

Procedures for the termination of organizations may be applicable in practice in other departments, even in the other countries, taking into account national legislation.

## 2. Establishing of budgetary and contributory organizations

The basic legal regulation that regulates the life cycle of budgetary and contributory organizations is Act No. 523/2004 Coll. on the budgetary rules of public administration.

Founder - each ministry can establish such a organization to fulfill its tasks within its

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<sup>26</sup> Andrews, R. (2022). Organizational publicness and mortality: Explaining the dissolution of local authority companies. *Public Management Review*, 24(3), 350-371.

<sup>27</sup> Lewis, D. E. (2002). The politics of agency termination: Confronting the myth of agency immortality. *The Journal of Politics*, 64(1), 89-107.

<sup>28</sup> Kypri, K., Connor, J., & Sellman, D. (2015). The dissolution of the Alcohol Advisory Council: a blow for public health. *NZ Med J*, 128(1409), 56-60.

<sup>29</sup> Maccarthaigh, M. (2014). Agency termination in Ireland: Culls and bonfires, or life after death?. *Public Administration*, 92(4), 1017-1037.

<sup>30</sup> Norris-Tirrell, D. (1997) Organization termination in the nonprofit setting: the dissolution of children's rehabilitation services, *International Journal of Public Administration*, 20:12, 2177-21794, DOI: 10.1080/01900699708525291.

<sup>31</sup> Mutawalli M., Ayub, Z. A., & Amah, E. I. (2023). Polemic on the Dissolution of Ministries: an Overview of the Presidential System in Indonesia. *Jurnal Litigasi (e-Journal)*, 24(2), 322-354.

<sup>32</sup> Askim, J., Blom-Hansen, J., Houlberg, K., & Serritzlew, S. (2020). How government agencies react to termination threats. *Journal of Public Administration Research and Theory*, 30(2), 324-338.

<sup>33</sup> Corbett, J., & Howard, C. (2017). Why perceived size matters for agency termination. *Public Administration*, 95(1), 196-213.

<sup>34</sup> Yesilkagit, K. (2021). Termination, aggregation, or replacement? A competing risks approach to agency transitions. *Governance*, 34(3), 803-819.

competence.<sup>35</sup> It is absolutely forbidden to establish a budgetary or contributory organization for the exercise of decision-making authority resulting to the founder from special regulations (e.g. the exercise of the activities of an administrative body).<sup>36</sup>

A budgetary organization and a contributory organization can be legally created in two ways:

1. by decision of the founder – state (central body of state administration, unless a special regulation provides otherwise), municipality or higher territorial unit.

2. by law.<sup>37</sup>

One of the reasons for the establishment of the Slovak Anti-Doping Agency, which was established by law in Slovakia, was the creation of the World Anti-Doping Agency.<sup>38</sup>

Ad 1): The founder is entitled to establish a budgetary or contributory organization to fulfill its tasks on the basis of the competence established by a special regulation; the approval of the Ministry of Finance is required and the application includes also a draft charter, a draft budget of the organization proposed for establishment, the expected financial impact on the state budget for the current year and for the following three budget years.<sup>39</sup>

The charter of establishment of the budget organization and the contribution organization contains:

- a) name of the founder,
- b) the name of the budgetary or contributory organization, its registered office and identification number,
- c) form of management,
- d) date of establishment of the budgetary or contributory organization,
- e) defining the subject of activity,
- f) designation of the statutory authority,
- g) material and financial definition of the property managed by the budgetary or contributory organization,
- h) determination of the period for which the budgetary organization or the contributory organization is established<sup>40</sup>.

Ad 2): Within the Act on Budgetary Rules, a legislative space is also created for the establishment of a state budget or contribution organization based on a special regulation (i.e. by law); the establishment function is performed by the administration body whose budget is involved in financial relations. These financial relations must be clearly mentioned in the law establishing the organization.<sup>41</sup>

### 3. Currently established budgetary and contributory organizations of the Ministry of Education

In the Slovak Republic, the reform of public finance management is implemented; its goal is to increase the budgetary efficiency of public expenditure management and financial management of government activities.<sup>42</sup>

<sup>35</sup> Mažárová, H., *Financing and management of budgetary organizations*. 2010. 17 p. [online]. [cit. 2022-11-18]. Available at: <[http://mazarova.szm.com/Mazarova\\_Rozpocetovnictvo%20teoria.pdf](http://mazarova.szm.com/Mazarova_Rozpocetovnictvo%20teoria.pdf)>.

<sup>36</sup> Harušťáková, I. (2016). *Act on Budgetary Rules of Public Administration – Commentary*. Bratislava: Wolters Kluwer (Iura Edition). 2016. 368 p. ISBN 978-80-8168-436-4.

<sup>37</sup> Kadárová, J., Krivosudská, J., Prerequisites and conditions of restructuring in the state administration. In *Transfer of innovations*. 2016. 33/2016. [online]. [cit. 2022-12-02]. Available at: <<https://www.researchgate.net/profile/Jaroslava-Kadarova/publication/>>.

<sup>38</sup> Hanstad, D. V., Smith, A., & Waddington, I. (2008). The Establishment of the World Anti-Doping Agency: A Study of the Management of Organizational Change and Unplanned Outcomes. *International Review for the Sociology of Sport*, 43(3), 227-249. <https://doi.org/10.1177/1012690208100552>.

<sup>39</sup> Harušťáková, I. (2016). *Act on Budgetary Rules of Public Administration – Commentary*. Bratislava: Wolters Kluwer (Iura Edition). 2016. 368 p. ISBN 978-80-8168-436-4.

<sup>40</sup> Kadárová, J., Krivosudská, J., *op. cit.* (2016).

<sup>41</sup> Harušťáková, I. *op. cit.* (2016), p. 154.

<sup>42</sup> Košovská, I., Váryová, I., Ferenczi-Vaňová, A. A Krajčírová, R. (2014). The public administration accounting in the light public finance management's reform and changes of the new accounting directive of the European parliament and the European council. In: *Acta Regionalia et Environmentalica*. 2. 71-75 s. ISSN: 1336-9253.

The implementation of the ESO program (efficient, reliable, and open public administration) represents the largest reform of state administration since 1989, and its ambition is to make the administrative operation more efficient, and ensure the quality, transparency, and accessibility of public administration for the citizens. It takes place in the following stages:

- Integration of specialized local state administration – by mid-2014;
- Operation of client centers for citizens – in 2014/2015
- Optimization of state administration performance, optimization of processes and structures of central state administration bodies, optimization of processes, and performance – during the years 2014-2020<sup>43</sup>, respectively until 2022.

The implementation of the project will have an impact on citizens and legal entities as clients of the public administration, as well as on the employees of the public administration as process executors. The financial allocation of the project is € 20,533,074.90.<sup>44</sup>

Although in general the reform is evaluated as successful, within the department of education, a deviation from the established institutionalization can be observed, which is significant precisely in relation to the issue of this study, namely the termination of the education departments of the district offices, which from 2013 to the end of 2021 belonged under the competence of the Ministry of the Interior of the Slovak Republic on the basis of this reform. Since 2022, eight regional school administration offices as budgetary organizations under the direct management of the Ministry of Education, Science, Research and Sports of the Slovak Republic have been established by law. All of them fulfill the same tasks, but in a particular region. The question is whether it is appropriate and effective in view of their specific position - the performance of tasks in the state administration in education with defined regional scope based on the law, whether they are justified as independent organizations.

Budgetary and contributory organizations, as was mentioned in the previous section, undergo dynamic development, transformations, or mergers, and some are cancelled.

According to the Organizational Rules, the following legal entities are established within the competence of the Ministry of Education, Science, Research, and Sport of Slovak Republic:

a) budgetary and contributory organizations established by law:

1. State School Inspection
2. Research and Development Support Agency
3. Slovak Historical Institute in Rome
4. Slovak Anti-doping Agency
5. Regional offices of school administration

b) budgetary and contributory organizations established by the Ministry as a founder based on the Act on Budgetary Rules of Public Administration:

1. Center for Scientific and Technical Information of the Slovak Republic
2. Home of the Slovak Teachers' Choir
3. National Institute of Education and Youth
4. State Institute of Vocational Education
5. Research Institute of Child Psychology and Pathopsychology
6. National Sports Center
7. Research Agency<sup>45</sup>

c) public universities (are budgetary organizations established according to Act No. 131/2002 Coll. on Universities and on Amendments and Supplements to Certain Acts, as amended, listed in Annex No. 1 to the Act).

In the study, we will further focus on budgetary and contribution organizations established by law and by the decision of the Ministry as a founder, since the Ministry can directly assign them the

<sup>43</sup> Mišún, J. Mišúnová Hudáková I. *External auditing in Slovakia*. Bratislava: Ekonóm, 2015. ISBN 978-80-225-4087-2. pp. 34

<sup>44</sup> Ministry of the Interior of the Slovak Republic. Optimization of processes in public administration. (2022). [online]. [cit. 2022-11-18]. Available at: <<https://www.minv.sk/?np-optimalizacia-procesov-vo-verejnej-sprave>>.

<sup>45</sup> Ministry of Education, Science, Research and Sports of the Slovak Republic. Organizational rules - Annex no. 2 to the Organizational Rules. 2022. [online]. [cit. 2022-12-21]. Available at: <<https://www.minedu.sk/statut-a-organizacny-poriadok-msvvas-sr/>> p. 1

performance of tasks. As for public universities, they represent academic self-governance bodies and their scope as well as funding is regulated by a special law on universities, and the Ministry is not authorized to impose tasks on them ad hoc, although relations between researchers and decision-makers have shown a positive potential to influence research, policy and practice<sup>46</sup>.

#### 4. Termination of budgetary and contributory organization

Budgetary and contributory organizations established by law cannot be canceled by decision of the founder, change their subordination (change the founder) and change the method of financing, because they can only act in accordance with the establishing law. Budget and contributory organizations established by the decision of the founder can be abolished, change their subordination and change the method of financing from a budgetary organization to a contributory organization or vice versa with the approval of the Minister of Finance. A change of subordination means a change of the founder within the state administration. In the case of a change of subordination, both founders issue a decision, in order to achieve that the change of subordination occurs on the same day. A change in the method of financing an organization means a change in the legal form of management of the organization by the same founder, i.e. from the contributory form to the budgetary form of the organization, and vice versa.<sup>47</sup>

The Act on Budgetary Regulations imposes on the founder of a contributory organization the obligation to cancel the contributory organization by December 31 of the year in which one of the following conditions is met: so-called 50% rule (the organization is able to secure financing for its activities and continue as a business company e. g. limited liability company<sup>48</sup>) or if the contribution organization has stopped fulfilling the tasks specified by the founder.<sup>49</sup>

There are the following possibilities for the transformation of budgetary and contributory organizations, namely cancellation by division, merger, fusion, with a legal successor and without a legal successor.<sup>50</sup>

The termination of a budgetary or contributory organization can occur in the same various ways<sup>51</sup>, namely by division, merger, and fusion, with or without a legal successor. Again, the legal successor in the mentioned cases can only be a budgetary or contributory organization. In a case of termination, the founder is obliged to determine in the decision the date of termination, material and financial definition of the property, related rights, and obligations that pass to the legal successor. When two organizations merge, a new organization will be created, which is the legal successor of the terminated organizations. In the case of acquisition of two organizations, one of them will cease to exist and the other organization will remain as an independent entity, but at the same time as the legal successor of the terminated organization. When an organization is divided into several entities, the divided organization has several legal successors. In case of the dissolution of the organization without a legal successor on the day immediately following the date of dissolution, the rights and obligations are transferred to the founder, unless a special law provides otherwise.<sup>52</sup>

A terminated organization cannot go into liquidation – in all cases of termination, the rights and obligations of the terminated organization are transferred to the successor organization or to the founder of the cancelled organization.<sup>53</sup>

<sup>46</sup> Jessani, N.S., Valmeekanathan, A., Babcock, C. *et al.* Exploring the evolution of engagement between academic public health researchers and decision-makers: from initiation to dissolution. *Health Res Policy Sys* 18, 15 (2020). <https://doi.org/10.1186/s12961-019-0516-0>.

<sup>47</sup> Harušťáková, I. *op. cit.* (2016), p. 155.

<sup>48</sup> Peracek, T.; Kassaj, M. (2023). The influence of jurisprudence on the formation of relations between the manager and the limited liability company. *Juridical Tribune*, 13(1): 43.

<sup>49</sup> Harušťáková, I. *op. cit.* (2016), p. 155.

<sup>50</sup> *Ibid*, p. 156.

<sup>51</sup> MacCarthaigh, M. (2014). Agency termination in Ireland: Culls and bonfires, or life after death?. *Public Administration*, 92(4), 1017-1037.

<sup>52</sup> Harušťáková, I. *op. cit.* (2016), p. 155.

<sup>53</sup> Krivosudská, J., Kádárová, J. Transformation of contributory organizations. In *Transfer of innovations*. 2016. 33/2016. [online]. [cit. 2022-12-30]. Available at: <https://www.researchgate.net/profile/Jaroslava-Kadarova/publication/>.

## 5. Changes in the structure of budgetary and contributory organizations

The Ministry, as we already mentioned above, is authorized to establish, change the form of management and also cancel budgetary and contributory organizations.

Restructuring is the most common way out of crises manifested in state organizations, as the cessation of activities in most cases is not possible. One of the most frequently applied forms of restructuring is rationalization. It leads, first of all, to a reasonable, justifiable and economically efficient arrangement of activities carried out by organizations on behalf of the state, their structuring, the setting of internal and external processes and, to a non-negligible extent, to an increase in the effectiveness of work procedures, which results not only in the more efficient use of financial resources, but especially overall improvement of the provision of activities within the competence of state organizations. Rationalization of organizations can take several forms and can lead to the termination of the particular organization. The complete dissolution of an organization established by the state is possible, but the activities performed by the organization do not cease, and the state property that was invested in it continues to remain as the property of the state.<sup>54</sup> Another reason in applicational practice why there is no termination of an organization other than by merger or acquisition is that the "liquidation" of the organization is not possible, as all obligations would in that case be transferred by law to the founder.

In the observed period, from 2013 to 2022, the Ministry of Education, Science, Research and Sport of the Slovak Republic performed several changes in the structure of departmental organizations. All of them were carried out in the form of termination of one or more organizations by merging with another, successor organization.

As part of the ESO reform, a significant reorganization of local state administration was implemented in 2013, regional education authorities were terminated and their competencies were transferred to education departments of district authorities under the Ministry of the Interior of the Slovak Republic.

On January 1, 2014, the Institute of Education Information and Forecasts was abolished by merging with the Center for Scientific and Technical Information. In connection with this, two internally orders were issued: the Minister's Order No. 39/2013 on the transfer of competences in the field of selected activities of the Institute of Education Information and Forecasts to the Ministry of Education, Science, Research and Sport of the Slovak Republic and Minister's Order no. 60/2013, which terminates the Institute of Education Information and Forecasts and merges it with the Center for Scientific and Technical Information of the Slovak Republic.<sup>55</sup> On January 1, 2014, also another organization was established by special law - the Slovak Historical Institute in Rome.

On June 30, 2019, the National Institute of Lifelong Education was terminated without liquidation by merging with the State Institute of Vocational Education on July 1, 2019. The date of cancellation together with the procedure for canceling the organization was determined by ministerial order no. 41/2018 on the procedure for canceling the contributory organization National Institute of Lifelong Education dated September 28, 2018 and contained tasks for the Ministry as well as for the canceled and successor organization.<sup>56</sup> Originally, however, the date of cancellation of the organization was planned for July 1, 2018 in accordance with Minister's order no. 20/2018 of April 30, 2018.<sup>57</sup>

<sup>54</sup> Kádárová, J., Krivosudská, J. (2016). Prerequisites and conditions of restructuring in the state administration. In *Transfer of innovations*. 2016. 33/2016. [online]. [cit. 2023-11-02]. Available at: <<https://www.researchgate.net/profile/Jaroslava-Kadarova/publication/>>.

<sup>55</sup> Ministry of Education, Science, Research and Sports of the Slovak Republic. (2013). Internal regulations 2013. 2018. [online]. [cit. 2022-12-29]. Available at: <<https://portal.minedu.sk/Vnorn%20predpis/Zbierka%20vn%C3%BAtom%C3%BDch%20predpisov%20v%20roku%202013.aspx>>.

<sup>56</sup> Ministry of Education, Science, Research and Sports of the Slovak Republic. (2018). Minister's order no. 41/2018 on the procedure for canceling the contribution organization National Institute of Lifelong Education. 2018. [online]. [cit. 2022-12-29]. Available at: <<https://www.minedu.sk/vnutorne-rezortne-predpisy-vydane-v-roku-2018/>>.

<sup>57</sup> Ministry of Education, Science, Research and Sports of the Slovak Republic. (2018). Minister's order no. 20/2018 on the procedure for canceling the contribution organization National Institute of Lifelong Education. 2018. [online]. [cit. 2022-12-29]. Available at: <Intranet - Collection of internal management acts in 2018 (minedu.sk)>.

On December 31, 2020, the International Laser Center was canceled without liquidation by merging with the Center for Scientific and Technical Information of the Slovak Republic from January 1, 2021. Also in this case, the procedure for cancellation was determined by the order of the Minister (No. 62/2020), which came into force on 23 December 2020.<sup>58</sup>

To ensure rationalization and streamlining the activities of departmental organizations, on October 31, 2021, the Slovak Pedagogical Library was cancelled without liquidation by merging with the Methodological and Pedagogical Center from November 1, 2021. The procedure for abolition was also determined by the order of the Minister (No. 35/2021) effective from September 30, 2021<sup>59</sup>. Subsequently, on June 30, 2022, the State Pedagogical Institute, Iuventa - Slovak Youth Institute, and the National Institute of Certified Educational Measurements were terminated without liquidation by merging with the Methodological and Pedagogical Center from July 1, 2022. The organization was also renamed to the National Institute of Education and Youth. The merger procedure was modified by Ministerial Order (No. 7/2022) with effect from March 23, 2022. This order canceled Ministerial Order No. 42/2021, which terminated only conditions for the the State Pedagogical Institute and Iuventa - Slovak Youth Institute with effect from November 8, 2021, while the deadline for the abolition of all three organizations was also from July 1, 2022<sup>60</sup>.

**Table no. 1:** Budgetary and contributory organizations of the Ministry of Education, Science, Research, and Sport of Slovak Republic

|   | Budgetary organizations<br>on January 1, 2013          | Termination                                                                                                   |   | Budgetary organizations<br>on January 1, 2023 |
|---|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---|-----------------------------------------------|
| 1 | Research and Development Support Agency                | No                                                                                                            | 1 | Research and Development Support Agency       |
| 2 | State Institute of Vocational Education                | No                                                                                                            | 2 | State Institute of Vocational Education       |
| 3 | Methodological and pedagogical center                  | No (change of management form and name from 1 July 2022)                                                      |   |                                               |
| 4 | Institute of forecasts and information in education    | Yes (merged with Center for scientific and technical information of the Slovak Republic since 1 January 2014) |   |                                               |
| 5 | Slovak pedagogical library                             | Yes (merged with Methodological and pedagogical center since 1 November 2021)                                 |   |                                               |
| 6 | National Institute of Certified Education Measurements | Yes (merged with Methodological and pedagogical center since 1 July 2022)                                     |   |                                               |
| 7 | State school inspection                                | No                                                                                                            | 3 | State school inspection                       |
| 8 | Research agency                                        | No                                                                                                            | 4 | Research agency                               |
| 9 | State Pedagogical Institute                            | Yes (merged with Methodological and pedagogical center since 1 July 2022)                                     |   |                                               |

<sup>58</sup> Ministry of Education, Science, Research and Sports of the Slovak Republic. (2020). Minister's order no. 62/2020 on the procedure for canceling the International Laser Center by merging it with the Center for Scientific and Technical Information of the Slovak Republic. 2020. [online]. [cit. 2022-12-29]. Available at: <<https://www.minedu.sk/vnutorne-rezortne-predpisy-vydane-v-roku-2020/>>.

<sup>59</sup> Ministry of Education, Science, Research and Sports of the Slovak Republic (2021). Minister's order no. 35/2021 on the procedure for termination the Slovak Pedagogical Library by merging with the Methodological and Pedagogical Center. 2021. [online]. [cit. 2022-12-30]. Available at: <<https://www.minedu.sk/vnutorne-rezortne-predpisy-vydane-v-roku-2021/>>.

<sup>60</sup> Ministry of Education, Science, Research and Sports of the Slovak Republic. (2022). Minister's order no. 07/2022 on the procedure for the termination of the State Pedagogical Institute, the termination of Iuventa – the Slovak Youth Institute, the termination of the National Institute of Certified Education Measurements and their merger with the Methodological and Pedagogical Center. 2022. [online]. [cit. 2022-12-30]. Available at: <<https://www.minedu.sk/vnutorne-rezortne-predpisy-vydane-v-roku-2022/>>.

|                                                             |                                                                        |                                                                                                               |                                                             |                                                                                              |
|-------------------------------------------------------------|------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------|
| 10                                                          | International Laser Center                                             | Yes (merged with Center for scientific and technical information of the Slovak Republic since 1 January 2021) |                                                             |                                                                                              |
| 11                                                          | Slovak Historical Institute in Rome (since 1 January 2014)             | No                                                                                                            | 5                                                           | Slovak Historical Institute in Rome                                                          |
| 12                                                          | Regional offices of school administration (since 1 January 2022)       | No                                                                                                            | 6                                                           | Regional offices of school administration (8 organizations)                                  |
| Contributory organizations on January 1, 2013               |                                                                        | Termination                                                                                                   |                                                             | Contributory organizations on January 1, 2023                                                |
| 1                                                           | Slovak Anti-doping Agency                                              | No                                                                                                            | 1                                                           | Slovak Anti-doping Agency                                                                    |
| 2                                                           | Center for scientific and technical information of the Slovak Republic | No                                                                                                            | 2                                                           | Center for scientific and technical information of the Slovak Republic                       |
| 3                                                           | National sports center                                                 | No                                                                                                            | 3                                                           | National sports center                                                                       |
| 4                                                           | National Institute of Lifelong Education                               | Yes (merged with State Institute of Vocational Education since 1 July 2019)                                   |                                                             |                                                                                              |
| 5                                                           | Home of the Slovak Teachers' Choir                                     | No                                                                                                            | 4                                                           | Home of the Slovak Teachers' Choir                                                           |
| 6                                                           | IUVENTA – Slovak Youth Institute                                       | Yes (merged with Methodological and pedagogical center since 1 July 2022)                                     |                                                             |                                                                                              |
| 7                                                           | Research Institute of Child Psychology and Pathopsychology             | No                                                                                                            | 5                                                           | Research Institute of Child Psychology and Pathopsychology                                   |
|                                                             |                                                                        |                                                                                                               | 6                                                           | National Institute of Education and Youth (originally Methodological and pedagogical center) |
| Budgetary and contributory organizations on January 1, 2013 |                                                                        | Termination                                                                                                   | Budgetary and contributory organizations on January 1, 2023 |                                                                                              |
| 17                                                          |                                                                        | 7                                                                                                             | 11 (+8)                                                     |                                                                                              |

Source: own processing based on the internal regulations of the Ministry of Education, Science, Research, and Sport of the Slovak Republic

## 6. Conclusion

The aim of the study is to clarify the legal framework for the establishment and termination of departmental organizations and the application practice in this area under the conditions of Slovak legislation within the competences of the Ministry of Education, Science, Research and Sport of the Slovak Republic.

Based on the available literature, it can be concluded that the organizations of the Ministry of Education are undergoing dynamic development, while the organizations continue to fulfill all tasks, as none of the organizations were terminated without legal successor. At the same time, it should be noted that the Ministry decided to cancel seven organizations out of a total of 18, if we do not consider the ESO reform consequences and aftermaths, which appears to be an important element in the reorganization of the organization's management. On the other hand, however, with the enforcement of the law that established 8 regional offices of school administration, there was again a significant increase in the number of departmental organizations, which raises the issue of efficiency.

The methodology is primarily based on the analysis of relevant legal regulations in the Slovak

legislation on the establishment and cancellation of budgetary and contributory organizations and their application in practice when changing the structure of these organizations in the period from 2013 to 2022.

As part of the research, methods of analysis, synthesis, comparison, and other scientific methods were used. The study provides a basic regulation of the establishment and termination of budgetary and contributory organizations applicated to the conditions in the Slovak Republic and an overview of the implemented changes in the structure of these organizations as part of application practice in the education sector.

Procedures for the termination of organizations may be applicable in practice in other countries as well, considering particular national legislation.

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