

Public Administration Reform Process In Macedonia: Between Politics And Good Governance

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Abstract

The goal and scope of the research in this paper is covering explanation of public administration reform processes in Macedonia. In elaborating, there is a combination of different methodology aspects that are based on: content analysis of various governmental documents, research papers and administrative databases. The research summarized that the main reasons for undertaking a reform activities in public administration in Macedonia are multiple and naturally different. The management of public administration reforms has failed because of bad coordination, control, planning and organizing the reform activities. Between politics and good governance there should be sound management of public administration reform based on scientific management principles.

Key Words: public administration, reform, strategy, politics

Introduction

Public administration reforms in Macedonia are an essential and one of the most important aspects of governmental efforts during the last 13 years (1998-until present). They are essential because on their successful implementation depends the future integration of the country in the regional and global world, more precisely, the EU integration. Since 1998, four different governments (1998-2002; 2002-2006; 2006-2008; 2008-present) are trying to “solve” the many problems connected with public sector in the country. The main problems identified by the past and current governments, researchers and experts in the field are the following: highly politicized administration;

lack of professionalism, high-level corruption, red tape, nepotism, cumbersome and expensive administration, inflexible and most important, less transparent and non-democratic institutions in relations with the citizens and other institutions.

One of the most important questions in the course of modernizing the public administration in the country during the past 13 years was the question of successful implementation of the reform. No matter how many Strategies and Action plans theoretically we have on hand and no matter numerous declarative political supports for public administration reforms given by the top political party officials in the last 13 years, the citizens, the academic researchers and the EU Commission has the last word to say. And, we must agree that the implementation of these types of reforms is very complex.

Therefore, the main research question in this paper is the following: What is the organization and management of public administration reforms in the Republic of Macedonia? Or more precisely, what are the best possible institutional alternatives as a recommendation on a road for a successful implementation of the process of public administration reforms?

Before giving an appropriate answer to the above question, first we will focus on analyzing the past and present public sector reform efforts and, second, we will give a detailed analysis of the past and present institutional and legal solutions in managing the reform process.

An Overview Of Public Administration Strategy Reforms: Past And Current Trends

The Strategy from 1999

From its independence in 1991, Macedonia faces huge economic, political and administrative problems and as a result, the governments in the last 20 years adopted and implemented many strategies and action plans in order to stabilize the overall situation of the country, one of the main probably the most important national goal on its way to

become a full member of the EU. Among the many strategies to reform the system are the strategies and action plans for public sector reform that were adopted in May, 1999 and the recent one in December, 2010. The two governmental documents prescribed many measures and activities to be undertaken in coordination with numerous institutions (Ministries, Agencies, Public enterprises, Commissions etc.). The main goals of both strategies were adoption of new pro-reform legislation and introduction of better administrative structures and processes in order for public administration in the country to provide better support for further development of the democratic society and market economy and to create professional public administration by which will be gained permanent support for the national aspirations for a full membership to EU.

The first phase of the Strategy from 1999 lasted between 1999 and 2001. During that period, it was assumed the transformation of the reform principles into law provisions was a pre-condition for future development. The second phase that lasted from 2002 until 2006 was characterized with systematic efforts in order to strengthen the institutional capacity of the existing institutions and a foundation of a numerous new institutions as a preparation period for the next implementation phase. Finally, the third phase, known as implementation period can be described as a period of implementation of the reform provision framework into practice (Strategy for public administration reform, 1999, Action Plan, 1999). The biggest failure of the Strategy from 1999 was exactly the implementation phase. Besides the collective efforts of many institutions and large portions of public money spent for the operations of the current and newly established public institutions, the country is still suffering huge problems of political, economic and administrative nature (Koneska, 2007).

In the Strategy from 1999 there were no evaluation methods and political, economic, and social projections that will measure the total impact of undertaken activities. The Action plan of the government did not include a clear methodology for estimating and calculating the overall effects of the government reform activities expressed in numbers, realizing the fact that a huge portion of taxpayers money were spent in preparing and implementing those activities. Besides that, today there are no other positive results in the

public sector that can be explained as a result of public sector reform from 1999. Here, we can point out many reasons for the failure of the Strategy:

- First, the highly politicized public administration. There was a spoil system of public sector employment instead of the introduction and implementation of the merit-based public sector employment which seriously undermined the intention of the Strategy;
- Second, there was no clear system for measuring the work performances of the public sector employees. Accordingly, there was not any data that can depict how productive, efficient and effective are the public sector employees in their workplaces;
- Third, the Strategy was very general and the Action plan did not include any economic benefits or impacts expressed in denar value for the overall economic system and society in general (except the name of the project, a responsible institution or institutions, activities, deadlines and needed public resources for preparation and implementation of the current activity or activities).
- Finally, from 1999 until December 2011 when the recent Strategy for public administration reform was introduced in the public, there were three national parliamentary elections (in 2002, 2006 and 2008) and three local elections (in 2000, 2004 and 2008). That means that three different national governments hold the political power and their approach in implementing the Strategy has been different, besides their political rhetoric that public administration reform in the country is very important for economic, political, institutional and administrative development of the country.

The Strategy from 1999 was concentrated around promotion of the following 9 principles (Markic, 2004):

- Rule of law;
- Transparency;
- Competency;

- Stability;
- Responsibility;
- Predictability;
- Equal treatment;
- Efficiency; and
- Ethics.

However, the aspect of direct political, economic and social implications of the Strategy from May, 1999 upon the national public administration wasn't precisely described and analyzed in the Strategy. The above principles (except efficiency) are not direct but indirect actions to promote better economic conditions in the public sector and finally in the national economy. What does that mean?

By promoting the principle of rule of law, the government intended to implement equal treatment to all private and public businesses on the market. The rule of law instead of the "rule of disorder" will promote stable economic system highly desirable by the domestic and foreign investments in the economy. The business climate in the country can not sustain for mid and a long run if the companies feel that they are not equally treated in the market.

By promoting the public sector transparency, the government will show the private sector that there is no administrative discretion and information privilege. That is very important for the level of confidence between the government and the private sector. Without transparent public sector there is no real market economy in terms of market competition, prices, supply and demand.

Without competency of the public sector employees we can not speak about efficient, effective and productive public sector in the country. If there is not needed level of competency, the public sector is institutionally very weak, does not have the needed

capacity to adopt and implement, and is very expensive for the country. That is one of the main reasons when developing a better public sector. By better public sector in economic sense it can be understood less public employees, fewer institutions, fewer regulations and flexible, competent public sector employees. The positive economic impact of this principle is - saving a huge amount of public money that previously has been spent on public sector salaries, benefits and institutional costs.

Very similar to the previous principles, the principles of stability, predictability, equal treatment, efficiency and ethics are serving the same role towards the private sector and the economy in general, and that is: creating better business environment, increasing the confidence level in the public sector institutions and most important, decreasing the budget costs in the long run.

The most recent Strategy from 2010

After almost 11 years of the adoption of the first Strategy for public administration reform in Macedonia, the General Secretariat of the Government in coordination with the newly established Ministry of Information Society and Administration on December 21st, 2010, prepared and adopted new Strategy on public administration reform (2010-15). Very similar to the Strategy of public administration reform from 1999, the main areas of intervention are depicted in Table 1 (See below Table 1).

Table1. Main areas of economic implication of public administration reform (December 2010).

<i>Public Administration Reform</i>	<i>Public Finances</i>	<i>Human Resource Management</i>	<i>E-Government and E-Management</i>	<i>Corruption</i>
	Budget Preparation	Human Resource Planning	E-Infrastructure	Abuse of Public Resources
	Public Procurements	Human Resource Training	E- Public Services	Conflicts of Interest
	Internal Financial Control	Human Resource Evaluation		
	External Financial Revision	System of Salaries and Benefits		

The effects of the newly adopted Strategy (2010-15) are expected to be in the areas of public finances, human resource management, E-government & management and corruption (Strategy for Public Administration Reform in General Perspective, 2010).

Managing The Reform Process: Past And Present Institutional Arrangements

At the beginning of the public administration reform process in 1999 until 2010, the so-called Inter-Ministerial Commission was established by the Government as an official management body to coordinate the reform process in the country. The Commission

comprised of all the Ministry officials in the government while the Minister of Justice had the presiding role. All the planned activities in the Strategy from May, 1999 had to be implemented by all Ministries involved in the process while the Inter-Ministerial Commission had the legal right to lead and coordinate the whole process.

However, in 2002 after the parliamentary elections the new Government Cabinet suspended the Inter-Ministerial Commission and established a new institutional mechanism for managing the public administration reform in the country. The new institutional mechanism comprised of the Prime-Minister, a General Collegium of all State-Secretaries in the Ministries and the General Secretariat of the Government. Within the General Secretariat of the Government was formed a new section called Public Administration Reform Section. All these Governmental entities had to coordinate the reform process and to manage the reform in all aspects of the society inside as well as to present and submit reports to all the foreign institutions and organizations (most important to the EU Commission).

During the period from 1999 to 2010, the Law on State Civil Servants was adopted and the Agency for Civil Servants was established. In addition, in April 2010 the Law on Public Servants was adopted providing special treatment for all public sector employees under the current general public law in the country.

Following the EU recommendations, starting from January 1st, 2011 the new Ministry of Information Society and Administration was established in the Republic of Macedonia, whose main goal in the field of public administration is undertaking organizational and coordinate measures for implementation of the public administration reform processes that will accelerate the reforms in every part of the society. This reform plans to undertake serious measures and activities for strengthening public administration professionalism, eliminating political party employments, increasing the efficiency and quality of the public sector, decreasing the corruption and involving the Macedonian public administration within the European space of public administration¹.

¹ An interview report given by the Minister of Information Society and Administration on 11.01.2011

From the moment of the establishment, the Ministry of Information Society and Administration undertook a part of the responsibilities connected to administration and its reform that until then belonged to the State Civil Service Agency (now Agency of Administration after the establishment of the new Ministry). By that, the Agency of Administration extended its responsibilities in the part of public sector employees (before the establishment of the new Ministry, the responsibilities of the Agency of State Employees was only in the part of State employees). The main reason for concentrating all the public administration activities within the newly established Ministry is the Government assessment based on expert and comparative experiences that the public administration reform should be concentrated in one institution with the main purpose of undertaking strategic and planned organizational and coordinative measures and activities for a successful implementation of the public administration reform that is a top priority of the Government of the Republic of Macedonia for the next 2-3 years.

As a result, the Ministry took the following responsibilities: the legal resolution of all the questions that pertain to public administration in the country; supervision and securing standard and unique enforcement of the legal provisions by the public and state employees; development of a policy connected with the rights, responsibilities, obligations, and evaluation of the public and state employees; classification and general and detailed description of the public sector employment positions, public wages and wages benefits; managing a special Registry book for all public and state employees in the country; preparing strategic documents for the efficient and effective work; training and professional development of the public and state employees; the development and policy coordination relating to human resource management; creating and leading special registry of the information and communication systems and IT equipment within the public sector institutions, which until the establishment of MOIA, were the sole responsibility of the Agency of State employees.

According to the role and jurisdictions of the Agency of Administration, it can be said that the Agency is the main participant in the process of public administration reforms in

the country, but not the sole creator and executor. In the part of the state employees, remained the activities connected with giving written authorization for internal organizational acts and working places systematization, organizing and implementing a selection and employment procedure and deciding upon state employees' appeals as a second instance decision as well as participating in proving procedure of any type discipline or financial responsibility of the state employees. In the part of public administration, according to the newly enacted Law on Public Employees that will start to be implemented from April, 2011, the overall responsibility of the Agency of Administration is in the possibility for public employees to use training and professional development centers that exist within the Agency, gathering all annual reports of eventual proved discipline or financial responsibility of public employees, evaluation reports, managing the public employees Register which is an official database of the public employees' salaries and general and detailed data about public sector employees from the moment of getting the status of public employee, his/her career involvement until the moment of termination of his/her status as a public employee.

Conclusions And Future Recommendations

After almost 20 years of Macedonian independence to date, the Macedonian governments did not provide any real political, economic and social analysis of the public sector reform activities that they undertook in the country. The two main documents that are of particular interest to public service reform were the two Strategies and its Action plans from May 1999 and December 2010. Both Strategies are lacking an important analysis of the impact of the reform concepts on the society. Both Strategies are very theoretical and its Action plans do not describe the activities in political, economic and social terms. There are just theoretical assumptions in areas of intervention (public finances, human resource management, E-government & management and corruption) without real expected political, economic and social output of each planned activity on the society expressed in numbers.

It seems that both Strategies are "the best desires" of the political party elites on power and not the real impact that those activities will have on the citizens. We fully agree that

both Strategies (particularly the Strategy from December 2010) are very well prepared documents with an accent on the most important areas of intervention. And they are very difficult to implement. It requires a huge amount of public investments, time and people involvement for the Action plan of the Strategy to be successfully implemented. Even then, the citizens and researchers have the last word to say about the results of the implementation.

Macedonia already has a “rich” experience with the reform Strategy from May 1999. The Strategy ended as a big failure in every aspect of the society. Till today, the public finances are not well planned, organized and controlled. In the field of human resource management, there is no professional planning, organizing, training and development of the public sector employees. E-government is still far away from the E-government and management development level in most European countries. Finally, there is no successful progress in the area of corruption. There are just numerous declarative steps on purely theoretical grounds without any empirical economic analysis of the impact of the reform activities on the national economy.

In this research, we generally agree that one of the reasons (not to say the main reason) for unsuccessful implementation of the public administration reform in the country in the last 13 years was the bad management of the reform. If we look in the past, the institutions that were responsible for implementing the Strategy from 1999 were very broad, very general and there was a lack of synergy in taking the decisions. Most of the decisions in those bodies were treated as highly political in the public and there was no space for the introduction of professional management of the whole process. The implementation of the Strategy failed because of bad coordination, control, planning and leadership which were the main reasons for increased internal and external public non-confidence in the reform. And, that is true for the public health sector in the country as an inherent part of the overall public sector in the country.

As a result, all the reform activities are now put under the umbrella of the Ministry of Information Society (now called Ministry of IT and Administration). The idea to

integrate all public administration reform activities in one place is the best management solution, but besides the efforts, there is still space for pessimism. Besides all the expert and professional consultant recommendations for the establishment of a separate Ministry of Public Administration (using successful examples from the countries in the world where it operates, such as Slovenia, Montenegro, Sweden etc.), the Government decided that reform process be managed within the Ministry of IT Society. There are two problems with that decision:

First, at present, the current Ministry of IT Society does not possess the needed institutional capacity to successfully implement the most recent Strategy from December, 2010. The reform Strategy is very broad and requires numerous experts in many fields; and second, the Ministry will lack cohesion. The reason is that the Ministry is responsible for two different areas which are in many aspects similar but also very different: Information IT Technology and Public Administration Reform. The total energy is divided into two separate fields and there is a huge probability that the needed time for successful implementation of the reform would not be enough.

We generally agree that Macedonia as a Balkan and transitional country must have a separate Ministry of Public Administration and not separate and small institutions in implementing the reform Strategy. The typical example of well organized Ministry of Public Administration can be found in the Republic of Slovenia which like Macedonia gained its independence from former Yugoslavia. The Slovenian Ministry of Public Administration performs tasks in the following areas: management of the public administration and personnel, salary system in the public sector, e-government and administrative processes, investments, real estate and joint services of the state administration.

Without any further analysis, the above example of well organized Ministry of Public Administration can serve as an excellent starting point in undertaking serious institutional activities for successful management of public administration reform (and health reform) in the Republic of Macedonia. The above conclusion can serve as a basic

recommendation for any governmental actions in the field for the future. But, the experts and politicians very often think different. Basically, politicians are driven by their political interest and experts by the societal interest of what is best in a society. In between there must be a rational thinking based on the principles of scientific management and good governance of public administration reform.

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