Public administration reform in Macedonia

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ABSTRACT

The Western Balkan countries have made important steps in the advancement of democracy. However, public administration remains a field where reforms progress very slowly, due to a combination of reasons, ranging from economic and political to cultural ones. Macedonia is not an exception. This paper analyzes the main reasons for the slow pace of reforms in Macedonia’s public administration sector. The focus on public administration and the state contributes to understanding the priority of establishing a professional, efficient and transparent public administration system in a country in the process of European accession. The main research question is why reforms in Macedonia’s public administration sector have been so difficult to implement.

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1. Introduction

Public administration, as the apparatus through which decisions are executed, has long been considered a constituent part of government activity. It consists of the civil service, the public finance department, security, the judiciary, local government, and many other elements. This descriptive definition allows us to understand how large the scope of the analysis can be when embarking upon public administration studies.

Interest in the politics-administration dichotomy reached South-Eastern Europe only after the fall of the socialist regimes; yet ever since, politics and politicians have continued to define the organization and function of the administration in the region. Politicization of public administration derives from the visible and automatic synthesis of the ruling party with the state in post-communist countries. After the fall of the socialist regime in Macedonia, as in the whole region, the reform of public administration became an essential feature in regard to the consolidation of democracy and the market economy. Nevertheless, changes have been moderate, especially in practice. Reformed public administration is also one of the criteria of the European Partnership, which defines short-term and long-term priorities in preparation for integration into the European Union (EU).

This paper analyzes the reasons for the slow pace of reforms in Macedonia’s public administration sector. It is organised as follows. The first part analyzes the importance of a transparent and credible public administration sector in the process of democratic consolidation in Western Balkan countries. The second part of the paper focuses on the historical background of Macedonia’s administrative development since 2001. The discussion then moves on to explore several inter-related facets of governance in Macedonia, including the weak professionalization of the civil service sector, the persistent politicization of bureaucratic agencies, the inequitable ethnic representation and power-sharing in the public sector, and lastly the extensive corruption. The final part of the paper questions the slow pace of reforms regarding Macedonia’s public administration, and analyzes the interaction between persistent characteristics of weakness in administrative development on the one hand, and the prospects of democratic consolidation and European Union (EU) access on the other. We then conclude that deficiencies in

* All interviews were conducted in confidence, and the names of interviewees were withheld by mutual agreement.

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governance, especially regarding the implementation of reforms in the public administration sector, obstruct Macedonia’s overall democratic consolidation and complicate its prospects for a speedy and successful process towards EU accession.

2. Public administration and state

The transformation of post-communist countries in the Western Balkan region has turned out to be much more difficult than was first presumed. One of the primary reasons why reforms failed or why their results were not sustainable was the magnitude of the constraints these countries faced. In order to implement any sustainable national reform, there should be: a) reasonable consensus in the society about the goals of the reform; b) reform needs strong political commitment; c) different stakeholders and institutions should be willing to co-operate while respecting different needs and priorities; d) any reform process should be long-term; e) in the expectation of long-term gains, people should be willing to tolerate the short-term losses that inevitably arise from reform; f) there should be flexible institutional arrangements for facilitating reform and managing resources; and finally, g) sufficient social capital. Not surprisingly, social capital that relates to such aspects of social life as trust, partnership and cohesiveness that enable people to work, live and create synergies together, is the condition which is most often missing in post-communist countries.1 Nevertheless, there is sufficient human capital, which is traditionally defined as knowledge, abilities and competencies of individuals to carry out the reforms. Without sufficient social capital implementation of any reform is impossible. This constraint is particularly pertinent to the Western Balkans where the potential of ethnic conflict is high, for example in Kosovo and Macedonia.

Of course it takes long time to change individual and social attitudes and behavioural patterns. For such profound changes to take place it may be necessary to wait for the emergence of a new generation unaffected by life under the former regime. That notwithstanding, it is now that the reformers have to tackle the ‘old generation’, who remain in charge of public institutions and must be replaced. They still dominate the key positions in universities and ministries, and maintain former attitudes that are sometimes hostile to modernization of the public service.

Another possible pitfall in public administration reform is the misconception of the nature of state and public administration. Public administration, according to European tradition, is rooted in the requirement for a strong state. It is a widely shared opinion that the public administration system has to keep the state going and exercise its public authority. That is why the literature argues that the fundamental challenge to post-communist countries is still a (re)creation of the positive concept of the state. A lack of any positive concept of what is meant by “the state” and insufficient state identification on the part of citizens lead to serious problems, which include distrust in the state, lack of loyalty of the citizens to the government and respect for legal and/or administrative decisions. Moreover, with regard to the administrative culture, the attitudes of bureaucrats are also highly dependent on this tradition.

Public administration in the former communist countries was monolithic, since it was characterized by high politicisation and a lack of positive relations with citizens. One important actor in governance, namely civil society, was missing, and in some of these countries it is still weak.

The commitment and loyalty of public servants cannot be taken for granted, especially in countries with a brief experience of democratic governance. This is mainly because in the past neither civil service recruitment nor career progression applied competitive or meritocratic models. Criteria that were used in the civil service did not meet any of the requirements of a transparent system. For example, the appropriate mechanisms for protecting civil servants from political interventions were lacking, which in turn created a distrust and even hostility on the part of the population towards the state apparatus.

Although the new constitutions and laws are substantial, legal texts alone are unable to resolve all these social and behavioural issues. Public administration in post-communist countries, such as Macedonia, still suffers from the bad reputation of the state, and the future development of the role of the state will also determine possible solutions to many other problems. The impact of state tradition and the development of solid legal principles of public administration, now known as the European Principles of Public Administration (EAS), are firmly established in Western Europe as a result of a long political and social evolution.

3. The role of public administration reform in EU accession

The EU has neither treaty provisions nor agreed common institutional templates regulating the public administration sphere of its member countries (Olsen, 2003: 513–514). However, from the early stages of its process of eastward enlargement the Union realized that public administration capacities were critical for dealing with the transposition and especially effective implementation of the growing body of acquis. Moreover, the Union’s experience with generally weak capacities in post-communist candidate countries has pushed it to outline the administrative criteria.

The initial Copenhagen criteria included merely implicit references to these administrative criteria, but the Union has been careful to define these further throughout the process of enlargement. Agenda 2000, which elaborated the commission’s opinion on each country’s capacity to assume membership obligations, included administrative capacity as a criterion in its

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1 Social capital is defined by Robert Putnam in his study Making Democracy Work (1993), as: “[...] features of social organization, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated actions” (Putman, 1993: 167).


own right: “a judgement [on the Copenhagen criteria] depends also on the capacity of a country’s administrative and legal systems” (European Commission, 1997: 6).

Once the EU had established this criterion for assessing a country’s eligibility to membership, it proceeded to operationalize it into more specific measures. Lacking its own templates in this sector, the commission sought the support of SIGMA in order to specify the main dimensions of the criterion. SIGMA’s subsequent paper: Preparing Public Administration for the European Public Space, helped to elaborate some baseline standards for assessing the administrative capacities of the candidate countries – the adoption of civil service laws to guarantee independence, the establishment of a career system, pay reform, and training (Fournier, 1998a). Thus, by and large, the EU requirements follow up and reinforce the modernization processes towards a Weberian model, already under way in the post-communist world.

Therefore, one of the main external driving forces for introducing public administration reform was that of preparation for the implementation of Acquis Communautaire. The institution of such reform was the direct connection between national public administration reform and integration efforts, which is confirmed by the criteria for EU membership laid down in Madrid. But what are the principles for European public administration? SIGMA Paper No. 27, relating to ‘European Principles of Public Administration’ (1998: 8–14), seeks to identify principles for European administration. These basic rules are derived from the standards that underlie administrative law in most member states and from the decisions of the European Court of Justice. These principles also define the standards for candidate countries, which are expected to get their administrative systems to conform with those of EU member states. The basic common EU legal principles can be summed up as follows: trust and predictability (legal certainty and judicial security), openness and transparency; accountability; efficiency and effectiveness.

a) Trust and predictability principles reformulated as “administration by law”, which ensures legal certainty or legal security of public administration actions and public decisions.

b) The principles of openness and transparency considered to be instruments for law enforcement, equality before the law and accountability (SIGMA, 1999). They are based on the premises that public administration represents the society.

c) Accountability means that administrative law makes a public administration body answerable for its actions to other administrative, legislative and judicial authorities. It also requires that no authority should be exempt from scrutiny or review by the others. To this end, a variety of mechanisms is applied, from a review by court to investigation by a parliamentary committee.

d) Efficiency of public administration shall be understood as maintaining appropriate ratio between recourses allocated and results attained. Effectiveness, in turn, means that administrative bodies perform successfully in achieving goals set for them by law and/or agreed policies. Both principles acquire specific importance with regard to production and delivery of public services to the society in an environment of fiscal constraints.

These basic public administration values are deemed to have led to some convergence amongst national administrations in Europe. This shared value system, which is included in European Administrative Space, represents an evolving process of increasing convergence between national administrative legal orders and administrative practices of member states. The EAS is broader than a single list of values. It concerns basic institutional arrangements, processes, common administrative standards, civil service values and administrative culture. It is difficult to speak of a European model of public administration, but the EAS signifies a convergence and states the basic values of public administration as a practice and profession widely used in Europe.

The extent to which the above-mentioned principles are presented in the regulatory arrangements for public administration and are respected and enforced in practice is an indicator of the capabilities of the candidate countries to implement and enforce common EU law in a reliable way. Harmonization of the national legislation with European standards is a very significant task for a country. But equally important, though complex, is the implementation of such legislation which is possible only through strengthened, professional and efficient public administration. The latter presents both the challenge and the opportunity, because reformed public administration is also one of the key criteria of the European Partnership, which defines short-term and long-term priorities in preparation for Macedonia’s integration into the European Union.

In view of the significance that administrative capacity has for democratic state-building, the EU has attributed public administration reform a high priority in the pre-accession process (Verheijen, 2007). Indeed, the experience of former EU candidate members who have become successful applicants suggests that the quality of public administration in a country is critical to the ease with which it navigates the accession process (Ministry of Finance, 2009). The question of how to reform public administration has acquired even more urgency because of the economic crisis that began in 2008. As a result, political elites in the region, along with leaders in other post-communist regimes, found themselves shifting their focus from reducing the role of the state, to redefining the quality of state institutions and making them more supportive of the market economy. Indeed, it has become even clearer that public administration as the “state in action” is critically important in terms of the ability of governments to deal with the socio-economic impact of the crisis.

4. Macedonia’s public administration reform

Although public administration’s politicization is an inherited tradition in Macedonia, during its democratization process it has been putting efforts into drafting a legal framework that would eliminate the phenomenon from the administrative
practices of the state. Nevertheless, it is necessary to screen the legal framework of the public administration sector for any possible gaps that allow the interference of politics in its organization and functioning.

Macedonia was the first among former-Yugoslav republic that started to prepare a public administration reform strategy in 1999, and which was set to be finalised by 2010. Many legislative reforms were completed within the framework of the strategy of 1999–2010, as was the case with the Law on Civil Servants (LCS), which was adopted only a year after the drafting of the strategy in 2000. The Law addresses all necessary aspects that define and regulate the position of civil servants: employment procedures, promotions, salaries, rewards, and dismissal. It divides civil servants into three groups: managerial, expert, and expert-administrative. Within these, most positions are career based, as they require a certain period of work experience in the civil service, besides other qualities. However, among the managerial positions (which are also career based), the government has retained the right to appoint the State/General Secretary with the justification that the minister should be free to form a team of his/her own choice with whom he/she wishes to work.

As provided in the LCS, the Administration Agency was established as the main guardian of employment procedures, rights and obligations of employees. As public administration reform strategy 1999–2010 had become outdated, it was replaced by the new strategy for 2010–2015, which has established the Ministry of Information Society and Administration. However, although the Ministry has assumed many of the competences of the Administration Agency, the latter remains the main body in charge of recruiting civil servants, as authorized by the LCS. The Administration Agency announces the vacancy upon the request of a state institution, and in the meantime forms a Commission for employment of civil servants which constitutes of a president and two members. The Commission examines the applicants for the vacancies in the civil service and interviews the most successful ones. Then, based on the results of the tests, their education and work experience, the Commission makes the pre-employment selection and submits a list of the three most qualified candidates to the State Secretary who is to make the final selection.

The most predisposed to politicization of Macedonia’s public administration is the post of politically appointed State Secretary. He is often a member of one of the governing parties and, at the same time, the leader of his team of civil servants. The State Secretary’s close political affiliations and powerful supervisory position in the civil service (among other things, the Secretary decides on the selection of candidates, promotions and dismissals) serves political parties as a good channel for materializing their pursuits (Analytica, 2011: 9). Hence the latest amendments of the LCS (March 2011, that subject civil servants to adequacy tests twice a year and vest the State Secretary with more competences in evaluating their performance have incited fears that these amendments will serve as a means of clearing the administration of loyalists of opposition parties in the name of professionalism and de-politicization. Therefore, the combination of overlooked test results and politically selected state secretaries raises concerns over the government’s capability and willingness ever to implement reforms fully (Sulejmani, 2011a: 10).

Generally, the LCS is acknowledged as efficient and effective in regulating Macedonian public administration and it certainly cannot be considered the source of politicization in the state. However, as the new Public Administration Reform Strategy 2010–2015 admits that the reforms 1999–2010 failed at their implementation. The failure to execute the laws that are de jure in force suggests that little has changed with the adoption of these laws, as the rule of law is highly ineffective in the state. The failure is justified with the claim that the reforms are still in their ‘legislative phase’ and the ‘factual application’ will follow once the first phase is completed. Indeed, politicization of many social and economic aspects in Macedonia are embedded in the country’s political culture and as long as the laws remain weak, political culture cannot be either overcome or changed. Therefore, it is important to emphasize that success in public administration reform depends strongly on the level of developments in other spheres of governance.

In consequence, the LCS is not a genuine representation of the actual practices in the Macedonian public administration. The procedures described in the Law are overlooked, and, certainly the Administration Agency is not nearly as independent as the Law specifies. Often the latter receives from political bodies the curriculums of the desired candidates who eventually get the job. Yet, although the law does not invite political intrusion, it poses no threat to political bodies when it is circumvented (Sulejmani, 2011a: 10).

As regards the Macedonian case, four particular inter-related problems of administrative development have proved very intractable to EU-conditioned Europeanization: weak professionalism, persistent politicization, inequitable ethnic representation and the extensive corruption. As argued by Leonard Cohen, “these problems have historically plagued South-Eastern Europe” (Cohen, 2010: 12). Moreover, as Nikolov (2005) adds, “as part of a broader context of difficulties
they have proven particularly detrimental to the effectiveness and democratic accountability of the public administrative sector in this group of countries”.

4.1. Professionalism

In Macedonia, bureaucratic structures frequently suffer from the shortages of skilled personnel in otherwise overly large public sectors, and also from the poor motivation of state employees, compared to the private sector. The general reasons for such problems can usually be traced to low salaries, bad working conditions, poor training and qualifications and typically the low prestige of civil servants in society.

The qualifications of administrative employees, although improving slowly, still remain unsatisfactory. Although new educational institutions specializing in public administration studies are a positive development, they still do not have strong reputation, and their limited numbers of graduates who do enter public services still constitute a minority struggling against negative practices, such as corruption.8

However, deficient educational and professional qualifications, as well as undemocratic mode of operation are only partially responsible for the poor performance and poor image of the administrative sector in Macedonia. An equally important issue is the overall political mentality and motivational climate within Macedonia’s administrative structures. As one representative of a national nongovernmental organization argued: “Citizens consider the administration distant, formal and corrupted... the people in the administration do not get there because of professional criteria and they are not promoted according to expertise and performance” (2011, interview, 11 March). Moreover, “it is very difficult to break up the inheritance of clientelism and paternalism in which the administration has been focused too much only on itself. A culture of secrecy has been cultivated, favouring nepotism and arbitrariness” (Idem).

Other problems are the frequent change of ruling parties and party coalitions and the climate of inter-party polarization within the government offices. Below the top tier of government ministers, among non-elected public administration officials such changes and uncertainty tend to feed bureaucratic inertia and non-accountability. Similarly, at the lower levels of public administration, the same factors have solidified bureaucratic inertia. As a Macedonian public official declared, “Our civil servants are used to seeing politicians come and go. All initiatives are considered as transitory” (2011, interview, 14 March). He also stated: “Civil servants are neither interested nor involved in their work. They were employed because they once had the right connection, not because they might have been professionally qualified” (Idem).

While the Internal Macedonian National Unity-Democratic Party of Macedonia National Unity (VMRO-DPMNE) is clearly the main culprit that handing out state jobs to its supporters, the government’s Albanian junior partner, the Democratic Union for Integration (DUI), also participates in job distribution, and many suggest this explains the behaviour of both parties in the previous coalition. As observed by a public official, “DUI has failed to deliver quality personnel in public administration and the judiciary” and has “focused on hiring party militants in administration, finance and other positions where there is more money” (Idem).

Though professionalism in public administration was a key EU requirement for, Macedonia’s engagement in the pre-accession process, the 2010 European Commission report mentioned that “there is still no comprehensive reporting to the Civil Servants Agency in line with the legal obligations on appointments, promotions, training of civil servants, fair representation, and complaints lodged by civil servants” (EC, 2010: 10).

In his 2010 report the ombudsman also described discrimination on the basis of political affiliation as the “cruelest one”, while adding that ethnic and religious discrimination were also practised (Ombudsman, 2011: 57). Ending these abuses should be a top priority in the ongoing process of public administration reform along Macedonia’s path towards democracy.

4.2. Politicization

As it has been already mentioned, the difficulties of improving professionalism of civil service in Macedonia are closely linked to the politicized character of public administration. Indeed, efforts to depoliticize the civil service sector have progressed very slowly. And despite a flurry of reform initiatives in the period 2002–2005, politicization in Macedonia actually increased during that time.

The most important reasons for this problem are Macedonia’s deeply embedded tradition of political interference in administrative decisions, and the lack of a clear division between the public and private spheres, which is common to all other countries of the Western Balkans. This communist legacy prevented progress in reforming the state apparatus, including the public administration and the justice sector, that lagged behind developments in other areas, such as trade, energy and infrastructure. Members of the political elite often underestimated the importance of public administrative reform for economic development, and in most cases incumbent decision-makers simply wanted to maintain control over the bureaucracy in order to distribute positions and perks to their supporters. On their part, the civil servants were often hostile to
changes which would disturb their traditional modes of operation and personal networks. This situation of status quo often frustrated younger professionals. Indeed, administrative structures in Macedonia did not prove to be willing or able to allocate external assistance in order to benefit from such support for “good governance”.

The relations between the government and administration are still treated as those of a master-servant where the spoils system dominates the political arena. This lessens or even completely removes the need for educated, professional and ethical civil servants. As was stated by one public official: “Each victorious incoming political party, or more typically a coalition of parties, not only changes the head of each ministry, but treats its entire administrative staff as its patrimony and as an opportunity for rewarding its supporters with patronage appointments” (2011, interview, 14 March).

One of the most significant traits in Macedonia is identification of public institutions, including government, with the political party. Political parties, through the democratic electoral process periodically replace cadres of these public institutions. Thus, elections bring about not only a change in the ruling party and the government but also a change in public administration. Political parties in Macedonia still reserve the authoritarian tradition of considering the state as the property of the party in power. This is a negative trend as it brings the abuse of principles, laws, and power in distributing and assigning government jobs. In Macedonia, the politicization of the public administration sector also remains a serious concern in the fight against corruption and threatens the transition process. According to a public official: “The politicisation of the administration at the higher levels remains significant, mirroring a system based on clientelism, particularly outside Skopje where the unemployment rates are higher” (Idem).

There has been a high turnover of civil servants in recent years due to politicization of recruitment practices. As the European Commission states: “There have been reports of replacement of trained professionals with appointees of limited experience in several institutions” (European Commission, 2010: 10). Thus, recruitment has continued to be based more on party loyalty than on merit. In October 2006, Macedonia’s government fired over 500 public sector managers in a three day period after elections, despite EU criticism that civil servants must be shielded from political interference (Cohen, 2010: 19). The existing position-based career system has provided for the possibility to make civil servants redundant as a result of restructuring of ministries by incoming new ministers. These practices undermine the procedures and principles under the civil service law for merit-based appointments and lower the overall capacity of public administration.

Furthermore, given the fact that most appointments are made on political grounds, civil servants are reluctant to act without direct orders from the upper tiers of the political hierarchy. For many, the net result is the paralysis of the system.

The problem in Macedonia, and elsewhere in the region, is less the existence of political interference in routine administrative affairs, and more the extent of politicization in appointments, both at the top of the ministries and often at lower levels of the public administration hierarchy. Functionally, administration is not considered as “an important developmental resource in the country” (2011, interview, 14 March).

The practice of politically motivated appointment of the assistant ministers is a particular problem impeding administrative continuity and professionalization of top level civil servants in Macedonia. As a consequence, the merit-based public administration, which serves citizens and transcends the alternation of different governments and governing parties in a pluralistic system, has had considerable difficulty to take roots. In December 2010, as already mentioned, the government transferred responsibility for coordinating public administration reform from the independent Civil Servants Agency to the new Information Society and Administration Ministry. Its minister’s success will now largely depend on his ability to resist pressure and influence from the government, of which he is a member, regarding the fulfilment of public policies.

4.3. Ethnic representation

The development of a public administration that is supportive of an inclusive and democratic society is linked to issues of ethnic representation. This ethnic dimension of administrative development is reinforced by internationally designed regime norms that institutionalize ethnic power-sharing practices, and various policies for personnel selection on the basis of equitable representation. As elsewhere, views differ regarding the value of ethnic quotas. Do such methods and practices enhance overall stability by accommodating different ethnic groups? Or does ethnically based recruitment to state institutions compromise considerations of merit and professionalism in the public service? Answers to those questions require careful empirical research in multi-ethnic settings. In any event, accommodating the desire of ethnic constituencies and minorities to have their fair share of administrative posts and resources is a major component in political life and democratic consolidation of Macedonia.

In a country where ethnic divisions have been particularly deep, domestic political authorities and international actors have paid considerable attention to the issue of balanced representation in the public sector. A good deal of progress has been made in achieving more equitable ethnic representation in the state administration, as stipulated by the Ohrid Framework Agreement (OFA) that ended the ethnic conflict in Macedonia in 2001. The agreement was designed to introduce changes to the constitutional framework that would improve the status of ethnic Albanians in the country. Although it set up some basic principles of cooperation with sight of a “democratic future for Macedonia”, and a “multi-ethnic character” of the Republic to be “preserved and reflected in public life (OFA, 2001), the points of action in the text highlighted the controversial divisions within Macedonian society, and acknowledged differences and cleavages. Stress is purposely placed upon ethnic recognition through the “development of decentralized government”, non-discrimination” and the principle of equitable representation in public administration, which means ethnically-sensitive employment in public institutions in order to match the
percentage of public employees from the smaller ethnic communities to their share in the population. This should make all public institutions more representative of ethnicity.  

The EU observed that by September 2009 civil servants from non-majority ethnic communities, who comprised 35.8 per cent of the population in 2001, increased to 26 per cent at the central level (European Commission, 2009). The EU data suggests that ethnic Macedonians, who comprise 64.2 per cent of the country, make up 74 per cent of the central level employees. Notwithstanding an improvement in the situation, recruitment targets under the accords are being reached very slowly. Albanians, as the principle minority ethnic community, have made the most progress, but the ethnic Turkish and Roma communities remain considerably underrepresented (Cohen, 2010: 22; Ombudsman, 2011: 32–34).

Thus Albanians, who comprised approximately 25 per cent of the population in 2001, increased their position in the state administration from roughly 12 per cent in 2002 to 15 per cent in 2005/2006. In some ministries, such as: Economy (19.8 per cent), Health (19.9 per cent), and Foreign affairs (19.8 per cent), the proportion of Albanians, as we see, is even higher. However, in other sectors, such as the Ministry of Culture, there were only 90 Albanians out of 2313 employees in August 2006, or 3.9 per cent of those employed. In the judiciary, Albanians constituted only 8 per cent of those employed and only 3 per cent in the Ministry of Defence, while there were no Albanians at all on the Republic’s Judiciary Council (Sulejmani, 2011b: 65). Moreover, data for designated civil servants in Macedonia’s overall public sector indicates that although more Albanians have been appointed recently to a number of top jobs, ethnic Macedonians are still over-represented in the core positions within the civil bureaucracy.

Meanwhile, members of non-Albanian ethnic communities are strikingly under-represented below the very top positions. According to a senior Democratic Union for Integration Party (DUI) official, 29 per cent of civil servants were ethnic Albanians in December 2009, while only 7 per cent of employees were in public administration. Though they have ministers, ethnic Albanians are not fully represented in public companies or senior posts in some institutions and ministries. According to the 2011 figures in the ombudsman’s report, there are ethnic Albanians in 9.9 per cent of managerial posts and 8.1 per cent in “other employment” in public enterprises. To date ethnic Macedonians have only served as interior and foreign affairs ministers and as a speaker of parliament. In March 2011, the DUI expected that an ethnic Albanian would be appointed as a governor of the Macedonian National Bank, but President Gjorge Ivanov selected an ethnic Macedonian. This brought the party as close as it has ever been to leaving the government coalition (ICG, 2011: 15).

Total Albanian representation among civil servants has grown. However, this has been largely achieved by increasing the overall size of the civil service. By 2009, some reports claimed that Macedonia’s total public administration had grown to some 125,000–130,000 employees, although the country might not need any more than 70,000 personnel (FOSIM, 2009: 54). Several local and international observers have remarked that “institutions are over-staffed, old employees have been pushed aside and are still getting paid, while party loyalists were hired and now make most decisions” (ICG, 2011: 10). 37 per cent of the new employees hired between 2004 and 2007 were Albanians. We may thus conclude that efforts at more equitable representation have clearly begun to reverse an earlier pattern of minority’s near exclusion, but only by expansion of the bureaucracy, and with considerable resistance from the majority. But low intensity inter-ethnic resentments and a constant focus on the question over who is “winning” and who is “losing” is at least a partial improvement from the inter-group violence that occurred in 2001 (Bieber, 2008: 7).

Despite the government’s declarative commitments to correct the unbalanced representation of ethnic groups in the administration, the absence of a long term systematic strategy (that would regulate OFA implementation by examining all relevant measures: means, time frame, quantity and quality), has caused regressive developments in the administration: equitability is achieved at the cost of further overstaffing the already crowded administration and the employment of many under-qualified candidates only for the sake of fulfilling the percentage quotas. These negative results have accrued due to the abuse of the principles of equitability by political actors who use it as a justification to install their loyalists and friends in the

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11 The basic provision 4 and annex C of the Ohrid Framework Agreement (OFA) address the principle of non-discrimination and equal treatment of all, saying “the parties will take concrete action to increase the representation of members of communities not in the majority in Macedonia in public administration, the military, and public enterprises, as well as to improve their access to public financing for business development”. It is generally understood that non-majority communities should be employed in numbers proportional to their percentage of the population.

12 Civil servants are individuals working in state administration; public administration more broadly includes all state jobs (police, customs, state companies, etc). There is a clear distinction between the terms “civil servant” and “public servant” in Macedonia: persons who carry out duties related to the state service and who are employed in the legislative, executive and the judicial branches, as well as in the state administration, other state bodies and municipal administration, are referred to as civil servants. The persons employed in services of public interest (education and science, health, social care, and culture) are referred to as public servants. While rights and duties of civil servants in the legal sense are covered by the Civil Servants Law, and, for specific categories of civil servants, by other laws, the employment relations of public servants were subject to the provisions of the Law on Labor Relations, other laws and collective agreements, and from 2011 with adoption of the new legislation are regulated by the Law on Public Servants. Public servants work in the sectors of social and child care, health, culture, education and science, as well as in public funds (Pension and Disability Insurance Fund, Health Fund, Roads Fund), and in other public services and institutions that carry out state functions delegated to them as to public authorities. It should be stressed that the public servants represent the largest group of public employees in the Macedonian public administration.

13 He nominated Dimitar Bogov, the bank’s vice governor, as governor. DUI boycotted the parliament’s confirmation on 16 March (ICG, 2011: 15).

14 In 2001 ethnic Albanian rebels formed the National Liberation Army (NLA) and stepped up attacks on Macedonian security forces, first in several villages near the city of Tetovo and by the western border with Kosovo, and later near the capital, Skopje. In March, the Macedonian government began a counter-insurgency campaign. It opened talks on political reforms with elected ethnic Albanian representatives, but refused to negotiate with the rebels themselves. Clashes between the rebels and government forces continued, notwithstanding intermittent cease-fire agreements and ongoing political talks. With United States and European diplomatic intervention the parties signed a framework agreement on August 13, known as the Ohrid Agreement.
administration in the name of the Framework Agreement (Sulejmani, 2011a: 7). Certainly, OFA is not the cause of the politicized administration in the country, though the absence of a strategy for enforcing it has allowed its manipulation by political parties, which have reduced the value of the principle of equitable representation to mere numbers and percentages. Therefore, the issues that derive from efforts to implement the OFA add to the complexity of Macedonia’s need for public administration reforms.

4.4. Corruption

Deeply entrenched practices of corruption have been especially corrosive to administrative development, and indeed to general economic growth and democratic consolidation in the Western Balkans throughout the post-2000 period. The classical definition depicts corruption as “behaviour which deviates from the formal duties of a public role because of private-regarding (personal, close family, private clique) pecuniary or status gains; or violates rules against the exercise of certain types of private-regarding influence” (Nye, 1967: 421). It refers to cases where officials accept, solicit, or extort bribes, or where individuals offer bribes to officials. Patronage and nepotism are regarded as corrupt behaviour. Corruption clearly undermines the efficient implementation of policies, the efficient use of public resources and citizens’ trust in the public administration sector. It is also associated with lower levels of investment and economic growth (Rose-Ackerman, 1999).

The Soviet political and economic system provided a fertile soil for corrupt behaviour. Literally all goods and services, which were usually in short supply due to the inefficiencies of the command economy, were distributed through the Soviet state-party apparatus. Moreover, the Communist Party failed to provide an effective safeguard against corrupt activities in the state structure. In fact, the two hierarchies, party and state, often collaborated in these activities (Stefes, 2005: 8).

Besides the temptation for those active in the established party organizations, and particularly those holding elected and appointed posts, to enrich themselves illegally, a number of additional factors have been responsible for the spread of corruption in the region. They range from the low salaries of officials to imperfect legislation and internal administrative controls, the legacy of problems from the pre-communist and communist period (for example, the blurred lines between the public and private sectors), the decline in public morality during the late communist period, and the continued weakness of judicial and legal systems within individual polities. Most of these problems have continued to manifest themselves despite the considerable regional efforts to control corruption.

During the post-2000 period, the emphasis of anti-corruption efforts shifted from strategies of “awareness raising” to those of “capacity building,” but numerous obstacles would impede the newer initiatives (Tisné and Smilov, 2004; Munghiu-Pippidi, 2006). A number of general problems afflicted the region: mobilizing and sustaining sufficient civil society support for a long-term anti-corruption agenda, weak government commitment to such projects, which prevented follow-through on announced goals, and the misuse or abuse of anti-corruption mechanisms (specialized agencies, prosecutorial powers) as tools to attack political opponents. This typically led to the perpetuation of low levels of trust in state institutions.

In Macedonia anti-corruption efforts have suffered from the polarized pattern of political party competition and elite dynamics, as well as the still embryonic stage of civil society. A mismatch between the desire of foreign donors for in-depth institutional reforms to eliminate corruption on the one hand, and the general public’s desire for quick results on the other, has also undermined support for anti-corruption policies. Moreover, external donors frequently neglected the fact that policies stand little chance of success without the sincere and sustained commitment of authorities at all levels within the region. As a study of corruption in the Western Balkans stated: “The mere existence of anti-corruption efforts is not an indicator of how seriously the government is committed...[and] the fact that a number of objectives set out in a strategy have been achieved already is not a real indicator of commitment either, since ongoing reform efforts are largely driven by the international community” (Devine and Mathisen, 2005: 56).

5. Reasons for the slow pace of reforms

In order to examine Macedonian problems regarding the public administration sector, it is important to thoroughly understand the factors that aid their development and persistence in state institutions. Generally, the problems are perceived as a lingering legacy of the socialist regime that the transition to democracy has not managed to eradicate. The inherited communist value of loyalty to the political party rather than to the institutions, along with the communist party’s monopoly on the state apparatus, has given birth to a tradition according to which the administration automatically becomes a property of the ruling party (or coalition). As was the case with all communist regimes, including Yugoslavia, the public administration [sector] was highly centralized and hierarchical, serving as an integral part of the executive function of the federal government.

Albeit intermittently, depending on the constitutional changes of the federation, the position of the administrators was regulated by laws on public servants (referring to the whole state administration). The Law on Public Servants, enacted in 1957, replaced that of 1946, and defined the specific functions of the administration, distinguishing it from the jobs described under the Labour Law (Sevic, 2011). This distinction disappeared with the constitutional changes in 1963 and especially in 1974, which brought about the realization of the communist ideal of a single and equal working class (Idem). The position of civil servant continued to be perceived as a prestigious job, and an integral part of the executive branch. Although employment in the Yugoslav civil service was not conditioned by mandatory membership of the communist party, party
committees were still created from within the civil service. Additionally, having close affiliates in the party was the best assurance of becoming a civil servant, despite the great emphasis the system put on one’s education (Idem).

Besides the common socialist legacy, former Yugoslav republics have also shared the consequences of the violent conflicts that broke up the federation. The violent collapse of Yugoslavia had a negative impact on the financial and organizational-structural aspects of the region; and the public administration sector was not spared either. Not only did wars delay reforms in the states affected, but due to their geographical proximity, neighbouring states felt the negative consequences as well, for example, flow of refugees and damaged trade. Macedonia’s public administration reforms were interrupted by the Kosovo crisis in 1998–1999 and continued only in 2002 after the OFA (Rabrenovic and Verheijen, 2004).

Furthermore, there are other factors that can explain why public administration reform in Macedonia took longer than economic and political reforms and proved laborious. In the transition process, attention tended to focus on economic reforms and democratic institution building (constitution, parliament, party system, elections) rather than on reforming public administration. Public sector reform was “dominated by an overall effort to ‘privatize’ state agencies” (Toonen, 1993: 152). Whereas “conditions of democracy” are addressed fully, the organization of public administration as a whole remains “fairly vague” (Fournier, 1998a: 114). Public administration reform “used to be a relatively neglected area of reform in many countries” (Verheijen, 1998: 28). Hesse also attributes the lack of far reaching reforms of “central institutions of governance” to political instability and uncertainty about the future role of central administration (1993: 225). On the one hand, reforms should aim at stability and continuity, but on the other, they also need to remain flexible enough for later adaptations – an “unusually difficult task” (Idem: 250).

The orientation towards EU accession criteria strongly prioritized the prioritization of reforms in Macedonia. The democratic and economic development, and the degree of implementation of the acquis, was in the foreground of the country’s assessment. Priorities started to shift when the European Commission increasingly underlined the need for administrative capacity (Verheijen, 2003: 490). However, it still did not specify the details. There were “no Community rules regarding public management” (Fournier, 1998a: 120), and only an indirect link between “European integration and public administration reform” was recognized (SIGMA, 1998: 13). Given the fact that the implementation of the acquis required adequate administrative capacities, the goal of membership could then be seen as a “key reference point for steering the transition process”, which could have also prompted public management reforms to be defined “around national accession strategies” (Metcalfe, 1998: 61). The EU mainly followed a sectoral approach to administrative reform (defining compliance and enforcement in individual sectoral areas), and neglected the question of “how administrative systems work, that is, their general qualities of reliability, predictability, certainty, efficiency, due process, transparency, ability to change, etc.” (Fournier, 1998b: 123). This can be explained by the principle of subsidiarity within the EU, whereby “no general body of European law in the public administration sphere” exists (SIGMA, 1998: 13).

It was unrealistic for the EU to assume that imported administrative models could quickly displace domestic habits of bureaucratic operations in the Western Balkans. The institution-building, as in most regions of the world, has resulted in an amalgam of old and new patterns of behaviour in the administrative sphere. And although the formal legal restructuring of state administrations is not particularly difficult under EU conditionality pressures, the actual replacement of old administrative habits by the new “European behaviour” has proved to be very difficult (Elbasani, 2009).

In addition, the values of democratization were defined predominantly in the negative sense, as the absolute opposition to the characteristics of the previous regime. As a consequence, the early agenda for administrative change mainly mirrored immediate experiences from the past. Transformation took place “as rejection of the old administrative model” (Hesse, 1998: 220), and concentrated on “getting away from the previous situation” (Toonen, 1993: 154). However, it was increasingly recognized that the mere rejection of the old model was insufficient to bring the reform process forward.

Moreover, a lack of knowledge hinders the introduction of efficiency and transparency in public administration. In post-communist states this deficiency, especially of qualified people, was one of the most urgent problems during transition. The public service had to face low wage levels, a mismatch between existing and required skills, shortage of qualified staff and the lack of a distinct public service identity (Hesse, 1993: 243). Capacities were needed to ensure compliance with the acquis, especially “management capacities” and “capacity-building capacities” (Metcalfe, 1998: 44).

Another factor that may explain the democratic political interference in Macedonian state administration, particularly in the lower ranking positions, is the high unemployment rate (31.2% of the labour force) – the biggest concern in the country, which also constitutes the bulk of political rhetoric (State Statistical Office, 2011). Efforts to create jobs in the private sector – by encouraging local businesses or attracting foreign direct investments – take longer to produce an effect than the immediate employment of hundreds of people in the public sector. Hence, the administration has been a useful and easy tool to enable governing coalitions to increase the employment rate in the country. In addition, those who benefit from the ‘mass employment’ opportunities are exclusively party loyalists and those closest to the party officials, making the administration a reflection of those who loyally support the governing coalition. Lately, the already overstuffed administration (which exceeds even the physical capacities of the premises of the state institutions), and the absence of a systematized recruitment procedure, have led to the practice of ‘home employment’, whereby employees are on the payroll of the state administration but are not expected to show up at work (Sulejmani, 2011a: 4). Such practices directly affect the efficiency of the administration while creating room for further political manipulation.

The “implementation deficit” in terms of getting laws translated into practice is another persistent problem in Macedonia, as well as in other Western Balkan countries. Indeed, the weakness of state institutions has been rooted in “culture of disrespect for state-sponsored rules,” which is reflected in a “distrust of the state and its alienation from society” (Cohen,
In Macedonia, and throughout most of the Balkans, during the past decade such chronic disrespect for rules and their implementation has undermined the overall legitimacy and performance of the state, which is a prerequisite for progress in democratic consolidation. Even the European Commission mentioned this problem in its 2010 Progress Report. Although it recognizes the advances that Macedonia has made with the amendment of the Law on Civil Servants and the adoption of the Law on Public Servants, it emphasizes the failure to implement the legal frame correctly: “Significant further efforts are needed to ensure the transparency, professionalism and independence of public administration. Respect for the legal framework needs to be ensured in practice, in particular as regards staff recruitment” (European Commission, 2010: 11–12). Thus, even though public administrative reform may have achieved significant results from the legislative point of view, these changes have not eradicated the political influence of staff recruitment. Indeed, the core issue for Macedonia’s public administration remains the failure to implement the policy reforms that have been passed in the last twenty years, and not their absence.

The selected features of state weakness displayed in the Western Balkans have also influenced the region’s pattern of democratic consolidation. Thus, although Macedonia has made considerable progress at state-building and democracy-building in the post-2000 period, it has continued to manifest features that Charles Tilly has referred to as “low-capacity democratic,” that is, a regime that has become more pluralistic and has expanded available civil liberties, but is weak in the area of implementation of policies and law enforcement. “Capacity and democracy interact,” as Tilly correctly points out, and while “governmental capacity does not define democracy, it looks like a really necessary condition for democracy on a large scale” (2006: 21–29). The interaction between capacity and democracy is a vicious circle. Thus, in the early stages of Macedonia’s transition, the non-consolidated character of the new democracy impeded capacity-building, and to some extent that problem continues.

But more recently, the deficits in institutional capacity have become serious impediments to further democratic consolidation in Macedonia. Such capacity deficiencies (especially in eradicating organized crime and widespread corruption, and in de-politicizing its public administration), and its linkage to the non-consolidated features of democracy, like the lack of transparency, have generated anxieties among national and European elites regarding Macedonia’s future development. Will or can Macedonia successfully develop the panoply of requisite institutional and political characteristics that will qualify it for fuller entry into the EU? The fact that the most recent EU members from South-Eastern Europe, Romania and Bulgaria, have remained severely challenged by the problems of fighting corruption and furthering judicial development has been an added source of concern to EU elites as they ponder future enlargements in the region.

Macedonia is still trapped in an indeterminate and unstable intermediate zone; it clearly no longer has repressive authoritarian political system, but neither does it yet have a fully consolidated or strong democracy that demonstrates the capacity to effectively constrain several forms of corruption and the routine abuse of governmental power.

6. Conclusion

Gaining and maintaining public trust must be approached holistically, as the threads of integrity, transparency and accountability knit together to uphold all public administration, and ultimately governance reforms. To this end, fighting corruption is not only an end in itself, it is of fundamental value to all government reforms, which may require changes in legal and policy frameworks for the control and expenditure of public monies and improved procurement practices. It also requires the inculcation of public service values throughout the institution through education, training and enforcement.

The devastating effects of the lack of integrity, transparency and accountability in public administration, leading to corruption and misconduct, cannot be underestimated. These principles are a prerequisite to public trust, as a keystone of good governance.

The consideration of the administration as a property of the ruling party, reserving for itself exclusive rights to control and manipulate the public administration sector, has produced a weakened Macedonian public administration, which in consequence also mitigates the efficacy of the legislative reforms that are carried out. The constant turnover of the administration – firing experienced and trained employees and replacing them with under-qualified candidates – does not help to formulate institutional missions and further develop professionalism. In consequence, public administration, besides remaining a heavy burden on the state’s public expenditures, adds to Macedonia’s incapacity to cope with the pressure of implementing EU conditional reforms, and the accomplishment of a fully functioning democracy and market economy.

Political interference in Macedonia’s public administration after its secession from Yugoslavia in 1991 continues. Indeed, political intrusion has remained a practice taken for granted by politicians ever since. Party membership is officially not a requirement for employment, but party affiliates are one’s guarantee for getting a job. Hence, the issue of politicization of Macedonia’s public administration, as in many other former socialist countries, has become more complex since democratization, as now (varying) election outcomes determine the makeup of the administration. Unlike in socialist Yugoslavia, where the same party remained in power for almost fifty years, and the political power exerted on the administration remained constant, today’s practices demonstrate that whenever a different party is elected, civil servants employed by the previous government are either replaced by loyalists of the ruling party or horizontally shifted within the public administration system. This practice explains the frequent interruption of policies and reforms. The constantly shifting administration, as a consequence of politicization, leads to other serious side effects, such as its de-professionalization and overstaffing. The manipulation of the public administration system not only takes the form of determining the function of the administration, but also plays a key role in the selection, promotion and dismissal of its employees.
In its public administration reform strategy 2010–2015 the Macedonian government shows commitment to public administration reforms realising the importance of an independent and professional administration capable to secure functioning democracy and market economy. This is among the crucial reforms conditioning Macedonia's EU accession. We can therefore conclude that without a real implementation of public administration reforms and the democratic consolidation process in Macedonia the country’s likelihood of acceding to EU membership will be seriously compromised.

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