

4 Administrative reform capacities

A complete and realistic PAR strategy was adopted in 1999, but implementation was slow in the beginning

All Macedonian governments since independence have recognised the importance of reforming public administration. It has been understood as one of the facets of transition to a modern democratic state, a prerequisite for economic development and a condition of European integration. A public administration reform strategy -- the most complete and realistic plan in the region -- was first elaborated in 1998 and adopted in May 1999. The strategy, action plans and timelines have been followed and updated by successive governments. However, consistency of purpose has not been followed by consistency of means. Staff resources were never sufficient; some main players changed; the political situation deteriorated. The PAR strategy was never put fully into effect.

The overall leadership of public administration reform was in the beginning -- in line with the Yugoslav tradition -- located in the Ministry of Justice which during some periods also had the Local Self-Government portfolio. Given such a major reform agenda the Ministry was not able to pursue PAR with sufficient attention and determination.

The Government subsequently established a Unit on Public Administration Reform at the end of 1999 outside the hierarchical structure but accountable to the Ministry of Finance and the Ministry of Justice. The Unit was abolished in 2001 and the Ministry of Justice became again responsible for PAR. More recently, in 2003, the current Government assigned PAR strategic leadership to a dedicated unit in the Secretary General's Office, but it is not yet operational.

The strategic unit relies for implementation on the other main reform actors. The MoJ, whether it has the PAR lead or not, has always been, and still is, the lead Ministry for the legal aspects of administrative reform including the revision of the Administrative legal framework, however the capacities assigned to the PA task have always been too limited. The other two potential reform drivers are also weak because of limited capacities relative to responsibilities. In the case of the CSA, its attachment to Parliament means that its inputs are made through informal relations.

Decentralisation will require support and inter-Ministry co-ordination

The proposed far reaching decentralisation plans, propelled largely by the Ohrid Agreement, will call for institutional and procedural support to ensure equal development and sustainability of public administration reform across the country. In particular, they will require cross Ministerial

co-ordination so that the transfer of functions is orderly and balanced by upgraded capacities at the local level as well as by effective accountability and control systems. This reform area is lead by the Ministry of Local Self-Government. However it can be expected that decentralisation will also occupy the attention of the PAR Unit and the CSA whose mandate has recently been extended to include local government officials.

Similarly the downsizing, privatisation and equitable representation policies, driven by outside forces (IFIs and Ohrid respectively) will have important impacts on the central public administration which will require the attention of the PAR Unit and the various lead agencies --MoF, MoJ, MoF and CSA, which has the main responsibility for implementing the “equitable representation” policy.

4.1 Strengths favouring reforms

Coordination across Ministries at managerial levels has improved, and the corps of skilled bureaucrats is a strength

The administration is small and tightly connected, which facilitates informal co-ordination on cross-ministerial activities. Furthermore top-level commitment is high and has shown consistency over time. A considerable number of top managers support reform. Thanks to political backing and the strengthening of the Government Secretariat reforms are pushed by the centre and are moving forward. Coordination across Ministries at managerial levels has improved so that reform policy has become more comprehensive. Although not numerous, the corps of skilled, resourceful and committed bureaucrats gives Macedonia one of the best reform platforms in the Balkans.

Macedonia's PAR strategy is well designed

The PA Reform strategy is well designed and implementation has been given proper consideration. Each ministry is responsible for implementing its work plan, and is obliged to monitor in particular the timely implementation of the public administration reform (PAR) strategy. Recently the Government created a Section for Strategic Planning in the Government Office, which monitors the implementation of policies, including PA, across ministries.

4.2 Governance deficits

In general the Macedonian administrative and political leaders appear to know what needs to be done to bring public administration up to a European standard. The problem is everywhere shortage of capacities including in the various bodies having partial reform leadership – especially in MoF, MoJ, CSA, PAR Unit in the Government Office. The economic situation of the country, coupled with the restrictions imposed by the IFIs makes it difficult to resolve the skills issue by the most obvious route - salary increases. The imposed downsizing and privatisation is unlikely to provide sufficient resources for upgrading salaries significantly

and may exacerbate, including inter-ethnic, tensions.

The Ohrid context makes implementation of AR difficult, and may divert attention from important tasks

The implementation of the Ohrid agreement is likely to drive AR for some time, or at least will consume much of the available strategic as well as budgetary resources. The directions of Ohrid are compatible with a modernisation agenda (e.g. decentralisation and multi-cultural administration), however the context makes implementation difficult and there is a risk that attention will be diverted from other important aspects of PAR, and that the decentralisation will be carried out to satisfy the international community without the construction of effective checks and balances, thus creating the conditions for possible future problems in public administration.