

INSTITUTIONAL REFORM IN ALBANIA

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1. INTRODUCTION

Honorable Ladies and Gentleman,

I feel honored to participate in this jubilee meeting for the relations between Albania and two of international institutions that have followed and supported actively our country's development on these ten years.

I belong to that fortunate category of Albanian administration employees, that has seen the steps forward done by our country towards democracy, by participating in these developments, and

today I have the honor to present in front of you the latest steps undertaken by the Albanian government for a stable institutional development, and to establish administrative capacities able to prepare, coordinate and follow up the European integration process, implement "acquis communautaire", and cooperate effectively and continuously according to the European Union regulations.

The European Commission report of June 2000, observes that "The Commission believes that the perspective of opening negotiations on Stability and Association Agreement, is the best way to capture the momentum of political and economical reforms and stimulate Albania to continue its constructive and moderate influence in the region". On the 29th November 2001, the European Union President Mr. Romano Prodi, declared that the agreement to open negotiations is foreseen to be signed within December 2001, whereas the process of negotiations starts in March 2002.

These observation and declarations show that Albania, especially in the last years, has done steps forward on the main directions of developing the country including the institutional reform.

The developments of these last 10 years have shown that despite the goodwill, the transformation process into an European country with laws, rules, principles and functioning, is a long and continuous process, and an important role here is played by the administration on establishing and strengthening capacities able to manage and adapt continuously this process.

Establishment and strengthening of administrative capacities, able to lead and manage the association process, makes this development stable and nonreversible.

Although, it seems that there is no direct link between association process and strengthening of administrative capacities, this link is for real. Albania must have an administration able to implement European policies and legislation, as well as negotiate with EU on these issues. During these 10 years the development of sectorial policies has been done on ad hoc basis, separated and mainly directed according to donors orientations.

This has come as a result of the absence of a complete medium-term and long-term strategy for the country development, as well as because of lack of capacities within the Albanian administration

to forecast and manage the country development in specific sectors and in general.

2. DONORS

The foreign donors have played an important role on the development of institutional reform in Albania.

However, should be taken into account that in the beginning of reforms in Albania, the donors themselves did not give much importance to the managing role of the state and institutions in general have on the development of reforms in a particular country. This came as a result of the idea of a totalitarian state in the past playing a similar role at present, or would have a strong effect in the country's developments.

After the collapse of pyramid schemes, in 1997, became clear that without drafting and implementation of a thorough institutional and civil service reform, the development in general was not sure and no future step could be considered safe for the stable development of sectorial reforms.

The reality of our country, after the total destruction of the institutions brought up as a priority the re-dimensioning of the state role and functioning of the administration and institutions on the basis of law, to make possible a harmonious and prosperous development in all directions.

These developments re-dimensioned also the prioritized support of donors on institutional strengthening and development of local capacities, to make possible not only the stimulation of reform development in all areas, but also to make this development stable, continuous and sustainable.

In this direction a considerable help has been given by the World Bank and IMF to ensure and preserve macroeconomic balances, and by the EU on adopting, implementation and improvement of legislation, European principles and standards on development of the country. However, more remains to be done until the Albanian administration establishes full capacities to adopt and implement the community legislation as a whole.

The support of donors will continue to be needed on institutional restructuring, preserving the macroeconomic stability, sustainability of reforms and approximation of legislation with EU, to create a realistic European administrative space.

3. INSTITUTIONAL AND PUBLIC ADMINISTRATION REFORM

The institutional reform in Albania aims at:

- total establishment of democracy and rule of law
- facilitation of economic and social transformation process towards the market economy
- approximation of albania with EU principles and standards for a gradual integration in its structures in the framework of Stability and Association Process.

The perspective of a membership in EU has been a stimulating factor for the progress of this reform.

The institutional reform in Albania has been characterized by drafting of the legal framework, establishment and functioning of necessary institutions to manage the process, monitoring the implementation of programs and results achieved, as well as transparency and openness towards the public, defining priorities and time for their implementation according to the importance of country needs.

To manage the process of institutional and public administration reform, in January 1999, was established the Inter-ministerial Board, to coordinate and follow up the continuity of this process. This board drafted and proposed, and in July 1999 the Council of Ministers approved "The strategy of institutional and public administration reform", which aims on engaging publicly the government on the continuous follow up of all reform programs, and ensuring that all institutional capacities are engaged to continue the implementation of this process, serving the improvement of governance through institutional strengthening.

The strategy proposed objectives and implementation principles, as well as defined priorities.

The basic principles that help the government to be publicly responsible on the reform progress, and help on continuous generation of the government are: transparency, active participation of the civil society and support on concrete results.

3.1. MAIN OBJECTIVES OF THIS STRATEGY ARE:

3.1.1. Establishment of a democratic state of law

The process of establishing institutional capacities is naturally a long process that will take time. Meanwhile the government has undertaken actions with no immediate effect, but which will be essential on establishing the basis for stable improvements in the governance. In this framework can be mentioned primarily the Constitution.

3.1.2. Stimulation of the political dialogue focused on the policy objectives within the country

Establishment of democratic reports in the Albanian society is a necessity to give an end to the crisis. The measures to achieve this aim were aborting the platforms and practices of reaching political aims through use of force, real respect of the parliamentary parties rights by inviting them to exercise their rights within the rules of democratic play.

Stimulation of the political dialogue in the institutional level is the stimulation of the collegial functioning of institutions such as State audit Institution, or new institutions such as Civil service Commission and Ombudsman. The achievements in the area of institutional reform have been modest but stable, and have shown that if there is a will there are concrete results. These achievements have shown also, that the rules set up and accepted, are to be respected and implemented fully and not to be changed whenever the players change conviction or position. Thus, the political support has a decisive importance on implementing the reforms, without forgetting the importance of reaching a consensus between all political forces to support continuously the reform process.

3.1.3. Stabilization of the country politically, economically and socially

During the last three years the government has undertaken the evaluation process of the state role, that actually is an assessment of responsibilities according to: policy making, legal framework drafting, supervision, implementation, necessary services according to sectors and other units, prescription of the kind of institutional arrangements that fit better on achieving these responsibilities according to economic and social conditions of the country. The type of decisions that are to be taken according to this assessment will include measures for the privatization of certain

services as well as involvement of the private sector. Revision of government functions will consist on taking into consideration those functions that might be integrated in the market economy, as well as those functions that can not reasonably be part of public services. This process has begun with the revision of the Council of Ministers functions and is continuing with line ministries and central institutions.

3.2. LEADING PRINCIPLES OF THE REFORM PROCESS

The government is engaged to continue and deepen the process of institutional and public administration reforms, based on the concept of transalbanian well-understanding and cooperation, despite the results achieved on reaching the second objective of the institutional reform strategy, on improvement of the political dialogue. This objective will be reached by continuing further on the reforms to stabilize the country, establishment and functioning of a state of law, increase of responsibilities towards institutions, increase of responsibilities and professional abilities as well as equal treatment in a transparent manner of all structures and citizens.

3.3. ELEMENTS OF THE REFORM PROCESS:

- ***Improvement of the government's organization of work;***

An effective governance requires the existence of able institutions on drafting and implementing policies, as well as on creating a feeling of trust on the legitimacy of these institutions and policies that they draft. In this framework, the engagement of the government plays an important role on speeding up the establishment of institutions and improvement of the role of Council of Ministers itself, by working on the direction of defining clear objectives and functions, improvement of organizational structures and the work process of the Council of Ministers apparatus and the government, by dividing managerial functions from political functions, and administrative functions from specific functions.

- ***Strengthening capacities for legal drafting;***

It is a long process that has within itself revision of existing legislation to adopt it with the principles and constitutional norms, as well as to improve the quality of the legislation i.e. improvement of political capacities in the area of coordination, making the policy drafting process more contestable by involving in it independent institutions and the civil society, as well as increase of the transparency of the government by informing the public through the

office of publication of official acts established under the Ministry of Justice.

- ***Management of public finances;***

Management of public finances by increasing the responsibility of central authorities and citizens, by improving the process of budget preparation, strengthening the budget implementation and improving the quality of financial reports as well as strengthening of the external audit process, and establishment of the internal financial audit to fight the corruption elements.

- ***Improvement of working qualities of the State Audit Institute and increase of cooperation with this independent institution;***

Establishment of productive relations between the work of State Audit Institute, Peoples Assembly and government, reformation of customs system and revision of the public procurement law.

- ***Development of supervisory functions;***

Drafting of administrative procedures law and the efforts to implement it, establishment and functioning of the Ombudsman as an institution that protects rights and freedoms of persons and their interests from possible acts of state administration.

- ***Reformation of civil service and management of human resources;***

Drafting, approval and implementation of the law "Status of civil servant", establishment of a specialized central unit for the management of civil service. Drafting and implementation of a new salary system for civil servants and the entire public administration. Establishment and functioning of the Training Institute for Public Administration as a public institute specialized to train this administration. Establishment and functioning of the Civil Service Commission as an independent institution for monitoring and supervision of the management of human resources process. All these measures serve the establishment of a professional civil service based on merits, decreasing heavily the number of employees leaving ministries.

3.4. REFORMATION OF THE JUDICIAL SYSTEM

Reformation of the judicial system has remained a sharp issue and one of the main concerns for the government. The main problem of this system is the "overfeeding" with the necessary legal framework and a weak institutional capacity to implement it. The

government's aim remains improvement of functions of a state of law by improving the judiciary powers functioning, improvement of lawyers quality performance, drafting of more acceptable laws for the public and private sectors, and improvement of the legal framework quality through:

- Improvement of procedures of the High Council of Justice.
- Legal arrangement of the judicial practice.
- Improvement on the functioning of magistrates school for the professional promotion of judges.

3.5. REFORMATION OF THE STATE POLICE

Reformation of the state police, changing it from a police force into a public service protecting the community and in the function of the law, Clear distinction of the political level from technical levels in the Ministry of Public Order and state police by:

- Improving the Albanian police legislation by reflecting all international and European conventions related to police duties.
- Complete reformation of the police educational system.
- Strengthening of relations with the public by institutionalizing them through increase of trustfulness, solidarity and cooperation.
- Institutionalization of relations between the police themselves, other state structures, local government and civil society.

3.6. DECENTRALIZATION OF THE LOCAL GOVERNMENT

Decentralization of the local government by implementing the European Charter on Local Autonomy and improvement of local financial management; strengthening of institutional and human resources capacities of local government units to handle the new competencies derived from the decentralization of power; transparency of decision-making procedures in the local government units and strengthening of community participation in this decision making process.

3.7. DEVELOPMENT OF CIVIL SOCIETY AND ITS PARTICIPATION ON DRAFTING OF COUNTRY'S DEVELOPMENT POLICIES

Drafting of a strategy on country's development and poverty alleviation, is a concrete indicator of civil society's participation. Civil society institutions are involved also on monitoring and implementation of the "Status of civil servant" by giving also

concrete suggestions on improvement of law implementation and the reform process in general.

3.8. LAW ENFORCEMENT

Another important element of the institutional reform is the special attention given to the obligation to observe the law. Strengthening of responsibilities and functional capacities is a special challenge for the simple fact that this kind of responsibility and institutional capacity is a predetermined condition for the reform development itself. Special attention has been given to the improvement of legal acts and by-laws in fields such as finance, order and justice with priority the fight against corruption, smuggling and organized crime.

The institutional reform drafted by the Albanian government is a total reform that involves all fields and has had developments and progresses these two years. However, there are problems whose solution is decisive not only for the reform progress but also for the country's development in general.

Achievement in the area of institutional reform have been slow but steady, showing that where there is a will there is a concrete result. These achievements have shown also that the defined and accepted rules should be respected and followed and that they are not to be changed on the way whenever the players change mind or position. Thus, the political support has a decisive importance for the reform implementation, hand to hand with reaching a consensus between all political forces to continuously support the reform process. This dialogue that has been one of the reform objectives, has remained in the level of developments of the time when this strategy was drafted.

Generally, the most important elements of a state of law and a democratic system, have been defined and have started functioning. Establishment and functioning of a contemporary legal and judicial system in compliance with the Constitution and particular international standards, is one of the most important issues on establishment and consolidation of rule of justice in Albania. The legal and judicial reform in Albania these last years, especially during the year 2000 - onwards has seen an important progress.

Reformation, legal improvement aiming at ensuring the legal basis for the refinement of public administration activity according to the

principles of the rule of justice and the service towards the public is another direction of Albanian institutional reforms. Actually, has been drafted and is being implemented the civil service legislation that has created not only in the legal framework but also in practice, the basis for development of stable professional administration based on merits. Special role on the establishment of professional administration based on merits plays the separation of politics from human resource management, starting by changing the role of the Primeminister.

Establishment of a recruitment system based on merits, training of civil servants and separation of the decision-making and managing levels from those in control, are some of the basic principles that are already giving results in the management of human resources. The work of Public Administration Department as the main unit for human resource management, has been strengthened and improved.

Have been established and now are functioning properly institutions that make possible supervision and monitoring of the reform process, as well as the transparency towards the public such as Ombudsman, Civil Service Commission, Code of Administrative Procedures, etc.

Results have been achieved also in the law implementation process, but certain problems remain to be solved i.e. drafting of policies to ensure compatibility between different branches and levels of the government, financial policies, making the public administration more attractive, observing rules of ethics in working place, and the fight against corruption that relate to the administrative methods and techniques.

The experience drawn from countries that have undergone on this way shows that effective reforms are limited by factors such as Outside pressure, Inner dissatisfaction, a reform strategy, a management mechanism for it, support and assessment of results.

Having in mind this experience, we may say that Albania has been stimulated and under pressure from outside, to draft the institutional reform strategy. This strategy has been supported very little inside the country, making its' implementation a challenge for the government in relation to country's development. The difficulties exist on the management of this process, that actually is the management of continuous organizative and institutional

changes. Passing of laws is only the beginning of the process, and for this is necessary drafting of programs and monitoring their implementation. Therefore, the institutional reform success, and the success of reforms in general depend on the engagement those in charge to implement it, as well as on the continuous political support given to them.

4. REGIONAL RELATIONS

Defining priorities and the manner of implementing and monitoring the progress in all reforms, is an issue of Albanian government, but this process directed towards a goal i.e. association and finally membership in the EU, is also conditioned and interdependent by the regional development process and further. The more stable and deep rooted this regional development process of the reforms is, the more stable and permanent is this process for each country in particular. In this aspect exchange of experience, multilateral or bilateral, helps the particular countries to benefit from advanced experiences, to solve issues of joint interests and create conditions for integration in each country.

The institutional reform and implementation of European standards, gives the green light to the development of executive, legislative and judicial systems, according to European principles, building basis for the establishment and enlargement of an European administrative space on the regional level, thus easing in this way the association and integration process. In this context, we believe that the best way to get closer to Europe, and the actual establishment of an European administrative space, is that of consolidation of achieved successes and bilateral and regional cooperation, in all fields of joint interests, thus bringing to life the aspiration of Albanians to make Albania a part of Europe.